

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEI
TRADEMARK TRIAL AND APPEAL BOARD

74/612,929

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CROSSPORT MOCEAN, INC.,)	
)	
Petitioner,)	Cancellation No. 92044780
)	Registrants: Donn and Kimberley Pierson
v.)	Reg Subject to Cancellation No.: 2009440
)	Mark: MOCEAN
)	International Class: 25
DONN L. PIERSON and)	
KIMBERLEY L. PIERSON)	
)	
Registrants.)	
-----X)	

DECLARATION OF KIMBERLEY PIERSON, RESPONDENT IN PETITION TO
CANCEL TRADEMARK REGISTRATION

I, Kimberley Pierson, declare, that I did not fraudulently register the trademark MOCEAN. In fact, I properly and rightfully registered the trademark MOCEAN as demonstrated in section "A" below:

I, Kimberley Pierson, further declare, that I have not abandoned the trademark MOCEAN. In fact, I have rightfully and dutifully maintained the trademark MOCEAN as demonstrated in section "B" below:

SECTION "A": I properly and rightfully registered the trademark MOCEAN:

1. I did not fraudulently register the trademark MOCEAN. I correctly followed the ways and procedures for the registration of a trademark as set forth by the United States Patent and Trademark Office (USPTO); hence the trademark MOCEAN is co-registered in my husband's and my name.
2. With my husband, Donn L. Pierson, I am the co-originator, the co-registered and co-owner of the trademark MOCEAN, a Trademark that is rightfully registered, is current and live and in good standing with the USPTO.



With my husband, I am also the Co-Founder of our previous clothing design, manufacturing and marketing general partnership ("Partnership") and the Co-Founder of CrosSport Mocean Inc. (the Petitioner) and the original Treasurer/CFO and National Sales Manager of CrosSport Mocean and a Respondent in this action. I make this declaration in response to CrosSport Mocean Inc.'s Petition to Cancel Registration of the mark MOCEAN. I have personal knowledge of the facts stated herein, and if called to testify, I could and would competently and truthfully testify to these facts.

3. There are two originators of the trademark MOCEAN, myself and my husband. As one of the two originators of the trademark MOCEAN, I have intimate knowledge of 'how' (a.); the trademark MOCEAN was conceived and 'what' (b.), the trademark MOCEAN means:

(a.) How MOCEAN was conceived:

We, the originators, made a small hand drawn circle on a piece of paper. Within this circle we wrote all that we wanted our trademark to embrace and thus be envisioned in the minds-eye of our customers. Within this circle were the words: 'Movement', 'Water' and 'Mountains'. 'Movement' and 'Water' are given in the name MOCEAN, but 'Mountains' were a challenge, hence the dual-isosceles triangle graphics that were created and formed above the name MOCEAN.

(b.) What MOCEAN means:

An entity that embraces the spirit and joy of 'Movement', 'Water' and the 'Mountains'...the joy of being outdoors, whether in the water or in the mountains but being in the act of motion.

4. I have been actively involved with all matters of the trademark MOCEAN since the first registration of the trademark 'MOCEAN' (serial# 74181035) on June 28, 1991 by my husband and I. It was our intent, from this first filing, to maintain MOCEAN as a personal asset and not to transfer nor be forced to sell or transfer the trademark MOCEAN to a corporate entity where it would be listed as an

asset and thus available to creditors in cases of bankruptcy and/or credit misgivings.

5. I have been actively involved with all matters of the trademark MOCEAN through the second registration of the trademark 'MOCEAN' (serial# 746129440/ reg# 2009440) on October 22, 1996 by my husband and I. It was still our intent, from that first filing, to maintain MOCEAN as a personal asset and not to transfer nor be forced to sell or transfer the trademark MOCEAN to a corporate entity where it would be listed as an asset and thus available to creditors in cases of bankruptcy and/or credit misgivings.
6. I have been actively involved with all matters of the trademark MOCEAN through the 10 year renewal and Section 8 and Section 9 to rightfully maintain the registration of the trademark 'MOCEAN' on March 26, 2007 by my husband and I. It is still our intent, from that first filing, to maintain MOCEAN as a personal asset and not to transfer nor be forced to sell or transfer the trademark MOCEAN to a corporate entity where it would be listed as an asset and thus available to creditors in cases of bankruptcy and/or credit misgivings.
7. On December 1, 1993, incorporation papers were properly filed in the State of California with the Secretary of State, thus forming CrosSport Mocean, Inc.. The incorporation proceedings and filings were properly and rightfully managed by Vincent LePore III Esq.

Upon completion of the incorporation proceedings, the Board of Director positions were filled as: Dr. Robert Hindman, Chairman of the Board of Directors; Donn Pierson, Director/ President/CEO- Day to Day Operations; and Kimberley Pierson, Director; Treasurer/CFO- National Sales Manager. Vincent LePore was nominated by the Board of Directors and elected to serve as Secretary of the Board of Directors.

8. Mr. LePore's participation was not limited to just the incorporation filings nor as Secretary of the Board of Directors, but his contributions included most of our legal filings including assisting in the first filing on the trademark MOCEAN (June

28, 1991), the second filing of the trademark MOCEAN (October 22, 1996), our Partnership agreement, the Bill of Sale, the List of Assets (exhibit "A") and many other proceedings and filings, some of which will be entered as exhibits, accordingly.

9. On December 1, 1993; my husband and I transferred the material assets of our Partnership into CrosSport Mocean, Inc. in exchange for its initial issuance of stock. The stockholders at that time of incorporation were Donn & Kimberley Pierson and our angle investor, Dr. Robert Hindman, who is Kimberley's Uncle, retired from a successful career as a Surgeon and looking to help grow a new venture.

The material assets that were transferred to CrosSport Mocean Inc. are clearly memorialized and listed in Exhibit "A". Noteworthy is that this List of Assets, clearly and concisely lists all of the assets of the Partnership that were transferred. The list is comprehensive and detailed down to one-yard increments of materials. For example, on the second page, 16-items down from the top, there is listed:

"U3 Spruce.....1 yard.....@ \$6.90".

This concise measurement demonstrates that the intentions of the Partnership were to be as accurate as reasonable/ possible in the listing of the assets that were to be transferred to the corporation CrosSport Mocean, Inc.. The trademark "MOCEAN" is not listed as an asset of the Partnership because it was not an asset of the partnership, and therefore could not rightfully be transferred i.e. it was owned solely by my husband and I.

10. The formation of the Corporation, CrosSport Mocean, was finalized on January 1, 1994, as is memorialized in Exhibit "B" (RE: CrosSport Mocean a California Corporation....) from the office of Vincent J. LePore III. This document and its' enclosures (1-13 as listed on its cover) shall be collectively known as "CrosSport Mocean, Incorporation Packet".

11. Although this particular document, Exhibit "B" (RE: CrosSport Mocean a California Corporation....) was primarily written to the Chairman of the Board of Directors, a copy of the "CrosSport Mocean a California Incorporation Packet" was also distributed to each member of the Board of Directors.

In Exhibit "B", Section 16, page 16, paragraph (d); Mr. LePore clearly cites that he is currently "working on the perfection of the trademark "MOCEAN Sport & Design" which was originally filed by my husband and I. Here, the Chairman of the Board of Directors is made aware, in writing by the Secretary of the Board of Directors, that the corporation does not own the trademark MOCEAN.

Furthermore and within this same paragraph (d), Mr. LePore advises the Chairman of the Board of Directors to, "at your convenience, we should discuss where ownership of this trademark....should reside i.e. what would be best...." This is an open invitation from Mr. LePore to the Chairman of the Board of Directors to change course or take action as to the registration of the trademark MOCEAN.

Moreover, further down, in the same paragraph (d); the Secretary of the Board of Directors advises the Chairman of the Board of Directors that "All trademarks, tradenames [sic], patents.....used by your business is extremely valuable and should be protected." And here again, the Secretary of the Board of Directors invites the Chairman of the Board of Directors to "please contact me so that we can structure the appropriate restrictive agreements."

12. A Grant of License is memorialized in Exhibit "D", "MOCEAN" Trademarks (dated February 10, 1994). In this document, my husband and I, as the originators and registrars of the trademark MOCEAN, issue a Grant of License to CrosSport Mocean. Below is an excerpt from the first page of the Grant of License (Exhibit "D"):

At the December 31, 1993 organizational meeting of Cross Sport Mocean, a California corporation ("Mocean"), each of you, as all the general partners of Cross Sport Mocean, a California general partnership

("Partnership"), did transfer all the business, assets and liabilities of the Partnership (as listed in Exhibit "A" to the minutes of the meeting, "List"), to Mocean, in exchange for Mocean's initial issuance of common shares i.e. 1,000 shares issued to Mr. Pierson and 1,000 shares issued to Mrs. Pierson.

As you know, the List does not include any trademarks, tradenames [sic], names or patents, which fact is also stated in the February 7, 1994 letter from Mocean's Incorporator. The purpose of this letter is to confirm with you in writing our oral agreement, effective January 1, 1994, as to Mocean's use of the tradename [sic] and trademark of "Mocean Sports & Design" and "Mocean" and any and all derivatives of the same, all of which Mocean acknowledges are owned exclusively by you (collectively, the "Trademarks"). Our agreement is as follows:

1. Donn L. Pierson and Kimberly L. Pierson (collectively, the "Piersons") grant to Mocean an exclusive and non-transferable world-wide license (without the right sub-license or assign) to use the Trademarks solely for the purpose of manufacturing, marketing, distributing and selling Mocean's products, that being men's, women's and children's clothing; namely jackets, coats, skirts, pants, shorts, bathing suits, dresses and shirts, and headgear; namely hats, cap and headbands. In that the Piersons are shareholders of Mocean, as long as this agreement is in effect, the Piersons will not charge Mocean any fee, royalty or other monetary charge of whatsoever kind, for Mocean's use of the Trademarks.
2. Mocean agrees to defend, indemnify and hold the Piersons harmless against all claims, damages, costs, expenses and losses (including attorneys' fees and costs) which arise from or relate anyway to (i) Mocean's use of the Trademarks, (ii) Mocean's products, (iii) Mocean's manufacturing, marketing, distribution and/ or selling of its' products, and (iv) Mocean's breach of this agreement. At all times, Mocean shall

B. WJHM is in the business, among others, of providing management services and consulting advice to companies, including development stage companies, to assist in providing them sources of debt and equity capital and to provide management guidance and services for the effective and efficient operation of such companies' businesses.

Above, WJHM portrays itself as a successful Management Services Company that has the experience and know how as to what is required to take a small company 'Public' through an IPO. In selling his Management Services Agreement to CrosSport Mocean, Mr. W. James Hindman claimed that among other companies, he is the founder of the Jiffy-Lube Franchises and YSI (Youth Services International) a youth correctional services corporation. Mr. W. James Hindman's portrayal that his Management Services Company has this (IPO) experience and know how, is supported above in paragraph 'A'; where the agreement mentions an "intention to....undertake an initial public offering (the "IPO")".

Noteworthy is that the legal representative of the WJHM Management team was Mr. Adam Chavis. In meetings with Mr. Chavis, he claimed to be a CPA and lawyer as a practicing Business Attorney who specializes in business acquisitions. How then, with such a respectful and experienced management team, could WJHM not execute their due diligence, prior to the signing of the Management Services Agreement and Voting Trust, to discover that the trademark MOCEAN was not an asset of CrosSport Mocean?

14. On March 1, 1998; upon ratification of the "Management Services Agreement" with W. James Hindman (WJHM); Donn Pierson willingly and purposefully relinquished his seat as Director on CrosSport Mocean Board of Directors and stepped-down as President/CEO- Day to Day Operations of CrosSport Mocean into the new position was National Sales Manager, Outdoor Products. Within the same ratification action; I willingly and purposefully relinquished my seat as Director on CrosSport Mocean Board of Directors and stepped-down as

maintain appropriate general and product liability insurance concerning its obligations under this agreement....

The body of the Grant License continues-on (in Exhibit "D") with the Licensing details; but clearly, as is written above and is memorialized in the opening page of the Grant License, the Pierson's in fact did Grant License to CrosSport Mocean the conditional use of the trademark MOCEAN.

13. On March 1, 1998; CrosSport Mocean entered into a "Management Services Agreement" with W. James Hindman (WJHM) as is memorialized in Exhibit "E". This agreement was signed by CrosSport Mocean Board of Directors. And, (WJHM) assumed control of CrosSport Mocean through a Voting Trust Agreement and stock acquisitions. Below is an excerpt from the first page of the "Management Services Agreement" (Exhibit "E"):

This Management Services Agreement (the "Agreement") is made and entered into this 1st day of March, 1998 (the "Effective Date of this Agreement") by and among W.J. Hindman & Management, Inc., a Maryland corporation ("WHAM"), CrosSport Mocean, a California corporation ("MOCEAN"); and W. James Hindman ("Hindman"), Donn L. Pierson ("Donn") & Kimberley Pierson ("Kimberley") with respect to Non-Disclosure and Non-Compete Agreement provisions.

EXPLANATORY STATEMENT

A. It is the intention of MOCEAN to increase its sales and market share within its business industry and to raise capital necessary for growth and expansion of its product lines, services and customers to achieve critical mass. At such time as critical mass is achieved, it is the intention of MOCEAN to undertake an initial public offering (the "IPO") of its capital stock, the proceeds of which would be used to further expand the business to help MOCEAN become a leader and recognized brand in its field.

Treasurer/CFO- National Sales Manager into the new position as National Sales Manager, Uniform Products.

15. Due to the unfounded firing on March 28, 1998 of Donn Pierson, the WJHM Management Services Company purposed and authored a "Royalty and Release Agreement", which is memorialized in Exhibit "F". Finally, after months of negotiations, and consulting with my husband, Donn on the language and spirit of the "Royalty and Release Agreement"; the final draft of the agreement was signed and entered into on December 18, 2000

Noteworthy is that Donn Pierson chose not file a wrongful termination proceeding out of his good faith that a compensation agreement of some sort could be/ would be reached.

The spirit of the "Royalty and Release Agreement" is limited to, and relates to only the apparel pattern designs and to the clothing designs that Pierson had created as mentioned in the statement.

16. Below is an excerpt from the first page of Royalty and Release Agreement (Exhibit "F"):

THIS AGREEMENT OF ROYALTY AND RELEASE (Agreement) is made as of December 18, 2000, by and among Donn Pierson ("Pierson") and CrosSport Mocean, a California corporation ("MOCEAN").

WHEREAS Pierson is a founder of MOCEAN and holds an equity interest in MOCEAN; and,

WHEREAS Pierson was employed by MOCEAN and during the term of his employment he created designs for MOCEAN; and,

WHEREAS Pierson created designs prior to the incorporation of MOCEAN and such designs were transferred into MOCEAN upon, the incorporation of MOCEAN; and,

WHEREAS Pierson represents that he created such designs and acknowledges and agrees that all such designs created by Pierson are owned by MOCEAN, and not by Pierson and Pierson represents that no designs were transferred or sold in any manner so as to give any interest in any such designs to any other party; and,

WHEREAS Pierson's employment with MOCEAN was terminated.

NOW, THEREFORE, in consideration of the mutual, promises, covenants and agreements of the parties contained herein, the parties hereby agree as follows:

1. Payment of Royalty to Pierson - MOCEAN hereby agrees to pay a royalty to Pierson in the amount of one half of one percent (1/2%) on net sales (defined as gross sales other than samples, less discounts, returns and allowances) made by the Company beginning on January 1, 1999 and continuing for a period of five years until December 31, 2004. Such royalty shall be paid by the Company to Pierson on an annual basis within One Hundred Twenty days (120) of the closing of the Company's year end on December 31.....

Now, within the Royalty and Release Agreement, there is this statement (paragraph 5):

"WHEREAS Pierson represents that he created such designs and acknowledges and agrees that all such designs created by Pierson are owned by MOCEAN, and not by Pierson and Pierson represents that no designs were transferred or sold in any manner so as to give any interest in any such designs to any other party; and,"

The spirit of this statement is limited to, and relates to only the apparel pattern DESIGNS and to the clothing DESIGNS that Pierson had created as mentioned in the statement i.e. clothing designs, NOT the Trademark.

17. Now, being that the trademark MOCEAN is not an apparel pattern or clothing design that Donn Pierson created, and that my husband was not the 'sole

creator" or 'sole originator' of the trademark MOCEAN; that my husband is not the 'sole creator' or 'sole originator', nor have I claimed to be the 'sole creator' or 'sole originator' of the trademark MOCEAN; and that the ownership of the trademark lies in joint custody and that therefore, I have no lawful right to sign-away any proportionate or joint rights to the MOCEAN trademark; nor did I (ever) exercise any unlawful right, or lawful right, to relinquish any proportionate or joint rights to the MOCEAN trademark.

The MOCEAN trademark is in fact Intellectual Property that is not mentioned nor even considered in the Royalty and Release Agreement and lies outside the mutual, promises, covenants and agreements and spirit of the Royalty and Release Agreement (Exhibit "F").

18. In November, 1998, Mr. Bill Levitt joined CrosSport Mocean and was hired into the position as President/ CEO of CrosSport Mocean by WJHM Management Services Company. Mr. Levitt has been involved in all aspects of CrosSport Moceans' day to day operations, as well as but not limited to, all aspects of CrosSport Moceans' business plans, long-range goals, sales plans, stock transactions, reporting, production, licenses, sources, book keeping, financing and operational capital/ cash/ credit acquisitions. Mr. Levitt has also been intimately involved in the failed negotiations to acquire a 'world wide release and transfer' of the trademark MOCEAN' from the Piersons to CrosSport Mocean.

19.

Since March 1, 1998; upon ratification of the "Management Services Agreement" and up until the date of my resignation of employment @ November 2002, I had been paid and performed the duties as National Sales Manager, Uniform Products for CrosSport Mocean, Inc..

20. As National Sales Manager, Uniform Products for CrosSport Mocean, Inc.; I performed business management dealings and transactions that included, but were not limited to: all aspects of Sales, Marketing and Customer Service, that included, but were not limited to: Creating and monitoring Policy; MOCEAN

Brand Positioning and Brand Placement; Product Placement and Product Pricing Structure; Advertising and Trade Shows; setting and attending Sales Appointments and Clinics; pro-actively Calling on Customers both, existing and prospective; following-up on MOCEAN product inquires and generating new sale prospects; monitoring MOCEAN product quality and Shipping; as well as managing any Customer Service complaints.

21. Furthermore, as National Sales Manager, Uniform Products; I was keenly aware of how the product that CrosSport Mocean was manufacturing and shipping under the MOCEAN trademark, and how the MOCEAN branded products were being received, accepted and performed by my customers, the customers of CrosSport Mocean.

Closing Statements/ Conclusions:

22. Fraud was not committed by Donn and Kimberley Pierson, the Co-Originators, the Co-Registers and Co-Owners of the trademark MOCEAN. There was never any hiding of the fact that the trademark MOCEAN is owned by Donn and Kimberley Pierson and not owned by CrosSport Mocean.

Trademark records are a matter of public record that are easily and conveniently available to all. One just needs to perform their due diligence to discover these facts. As cited above (pt.15/ Exhibit "D"), the due diligence duties of WJHM Management Services Company representing attorney, Adam Chavis (obviously) was not properly performed...otherwise, WJHM would have/ could have addressed this fact in their Management Services Agreement that they authored..

23. Fraud was not committed by Donn and Kimberley Pierson, the Co-Originators, the Co-Registers and Co-Owners of the trademark MOCEAN. There was never any hiding of the fact that the trademark MOCEAN is owned by Donn and Kimberley Pierson and not owned by CrosSport Mocean.

Upon incorporation and finally with the ratification of the Management Services Agreement,: All corporate agreements and documents, or copies thereof, including but not limited to all the evidence cited in Exhibits "A" through "F" but

excluding the Royal Release Agreement (Exhibit "F") that are cited in this Response; were kept and located in the corporate offices of CrosSport Mocean, at 1635 Monrovia Avenue, Costa Mesa, California. These documents and agreements, or copies thereof, were left in an un-locked, fire proof safe under the Treasurer's desk. All members and reprehensive of the WJHM management team, including: Mr. Adam Chavis and Mr. Tim Hindman as well as the consultant, Vivian Frazer/ CPA, whom WJHM directed into the offices and Ms. Lisa Anzieno, whom WJHM promoted as Business Manager (pro-tem), as well as Mr. Bill Levitt; Ms. Pam Davis, CrosSport Mocean Controller; Mr. Rick Little, CrosSport Mocean Office/ Shipping Manager; Mr. Salvador Herrera, CrosSport Mocean Production Manager; et al; and any and the many past and present factory Sewers from the back room; any walk-in Customer of CrosSport Mocean, who was left unattended in the front office area, any Mail Delivery person, who would pass, daily, through the front door of CrosSport Mocean which remains unlocked and often unattended during business hours.

Any claim by CrosSport Mocean that the evidence cited in this RESPONSE was not available or accessible to them, or that they base their fraud claim on 'missing' or 'lack of notice' these facts and the numerous persons whom had free and unsupervised access to the un-locked, fire proof safe under the Treasurer's desk; should be considered and addressed in the matter above that lists just the people who I know of to have been allowed access to the "un-locked, fire proof safe under the Treasurer's desk."

24. Dr. Robert Hindman, Chairman of CrosSport Mocean Board of Directors knew that the trademark MOCEAN was not an asset of CrosSport Mocean as the Secretary of the Board of Directors, advised him so, in writing, (in Exhibit "B"). Dr. Hindman's death @ May, 2005 preceded the Petition of Cancellation; hence his testimony cannot be taken.

25. I am personally acquainted with Mr. Bill Levitt and have known him since @ 1992. As the National Sales Manager, Uniform Products for CrosSport Mocean, Mr. Levitt was my supervisor. I have met with him on countless occasions to discuss business plans, Sales and Marketing plans, product and design ideas

and product performance; he has 'gifted' my children, and has met each of them; I know his live-in lady friend, Kristy, whom at one point worked for CrosSport Mocean; I am familiar with his storied work experiences; I have taken his advice and I have given him my opinions; he attended my uncle Dr. Robert Hindman's funeral; he has asked favors of me and he has done favors for me. Sometimes we agree, but more often we disagree.

Mr. Levitt's contention is that the trademark MOCEAN was an asset of the General Partnership and was hereby transferred in the Bill of Sale, via the language of the Bill of Sale Transaction Letter and/or via the List of Assets (exhibit "A").

Here, Mr. Levitt is reading something into his contention that is not mentioned in the Bill of Sale Transaction Letter nor is his contention listed on the List of Assets. The trademark MOCEAN is not mentioned in any part of the Bill of Sale Transaction Letter. The trademark MOCEAN is not listed, anywhere on the List of Assets.

Being that my opinion and knowledge of Mr. Bill Levitt was not adequately disposed of during my Deposition, and that I have this intimate knowledge of these Cancellation situations, I feel compelled to have my feelings, as mentioned above (in pt 24.) entered into public record.

SECTION "B": I have not abandoned the trademark MOCEAN. In fact, I have rightfully and dutifully maintained the trademark MOCEAN as demonstrated below:

We have not abandoned the trademark MOCEAN facts:

26. As memorialized in Exhibit "D", a Grant of License was executed on behalf CrosSport Mocean Inc. In this document, the obligations of the Licensors to maintain the trademark MOCEAN are clearly and concisely listed in paragraph 4 in the Grant of License. Below is an excerpt from the second page, paragraph 4 of the Grant of License (Exhibit "D"):

The Pierson's agree to take all reasonable actions to continue, in their names, their current registration efforts with the United States Patent and Trademarks office in regard to the Trademarks (any one or more, as determined solely by the Pierson's). In this regard, the Pierson's will have the sole and exclusive right, in their names, to obtain registrations or any other legal protections of the Trademarks (state, federal and any others), in a manner determined solely by the Pierson's. Once a registration is obtained for a Trademark, the Pierson's agree, at their cost, to take all reasonable actions necessary to maintain such registration in their names, including, but not limited to the filing of an affidavit of continued use as required by Section 8 of the Trademark Act of 1946, in regard to registrations obtained from the U.S. Patent and Trademark Office. Mocean agrees to cooperate with the Pierson's with all their registration efforts. The Pierson's retain and shall have the right to prosecute and defend any action or proceeding that the Pierson's deem necessary or desirable to protect the Trademarks.

The body of the Grant License continues-on (in Exhibit "D") with the Licensing details; but clearly and as is memorialized in the USPTO's acceptance of Section 8 (10-year) / Section 9 granted on 2007-04-27 and the USPTO's acceptance of First 10 year renewal (a matter of public record), the Pierson's have, to date, fulfilled their Maintained obligations as listed in paragraph 4 of the Grant of License Agreement.

Above is a case which shows that we have not abandoned the trademark MOCEAN. Furthermore, as the Prosecution History of the trademark shows, the Pierson's have performed the duties as set forth in the Grant of License by maintaining the trademark in good standing with the USPTO.

27. As stated above in point 19 (in this RESPONSE), I held the title and performed the duties as National Sales Manager, Uniform Products for CrosSport Mocean until the date of my resignation of employment on November 2002. From this position, I had "hands-on" dealings with the management of the business and transactions that included, but were not limited to: all aspects of Sales, Marketing and Customer Service, that included, but were not limited to: Creating and

monitoring Policy; MOCEAN Brand Positioning and MOCEAN Brand Placement; Product Placement and Product Pricing Structure; Advertising and Trade Shows; setting and attending Sales Appointments and Clinics; pro-actively Calling on Customers both, existing and prospective; following-up on MOCEAN product inquiries and generating new sale prospects; monitoring MOCEAN product quality and Shipping; as well as managing any Customer Service complaints.

Above are examples that demonstrate how I have maintained the trademark MOCEAN by monitoring how the trademark MOCEAN is being utilized and thus, proves we have not abandoned the trademark "MOCEAN".

28. Furthermore, as National Sales Manager, Uniform Products, I was keenly aware of how the product that CrosSport Mocean was manufacturing and shipping under the MOCEAN trademark, and how the MOCEAN branded products were being received, accepted and performed by my customers who are the customers of CrosSport Mocean Inc.

Above is another example that demonstrates how I have maintained the trademark MOCEAN by monitoring how the trademark MOCEAN is being utilized and thus, proves we have not abandoned the trademark "MOCEAN".

29. As memorialized in Exhibit "G", I have sold shorts that were embellished with current MOCEAN labeling, inside and out. Mr. Bill Levitt had distributed these MOCEAN branded products to me to "do as I please with them, even sell them....". Hence, I marketed, advertised and sold and delivered said MOCEAN branded products as are listed in Exhibit "G".

Noteworthy is that Exhibit "G" is only a sampling of the total units of shorts that I marketed, advertised and sold as a MOCEAN product.

Above are cases that demonstrate how I have maintained the trademark by exercising the trademark MOCEAN in commerce by selling MOCEAN product that I marketed and that I advertised as a MOCEAN product and in fact, these products were embellished with current MOCEAN labeling, inside and out. Moreover, these

products were of first quality and posed no harm to the image and branding quality of the trademark MOCEAN.

30. I have on occasion, when invited to attend, have attended some of CrosSport Mocean Shareholders' meetings. During these Shareholder meetings; the discussions and informational handouts mostly pertain to the financial health of CrosSport Mocean, the marketing and selling of its products, Catalogs, pricing and future sales opportunities; but sometimes address other Shareholder concerns.

Above is another method that demonstrates how I have maintained the trademark MOCEAN by monitoring how the trademark MOCEAN is being utilized and thus, proves we have not abandoned the trademark "MOCEAN".

31. On occasion, I have received certain documents and reports via US Postal delivery from CrosSport Mocean. These documents and reports are informational and mostly pertain to the financial health of CrosSport Mocean, the marketing and selling of its products, future sales opportunities and sometimes a list of current accounts that CrosSport Mocean is selling.

Above is another method that demonstrates how I have maintained the trademark MOCEAN by monitoring how the trademark MOCEAN is being utilized and thus, proves we have not abandoned the trademark "MOCEAN".

32. Mocean products are found on thousands of police officers and security personnel across the USA and in few countries abroad. This being true, it is quite easy to find a person who is on duty and wearing MOCEAN branded products. Being the co-founder of CrosSport Mocean, it is easy for me to give reason and approach an officer in MOCEAN branded apparel; sometimes even with my children in hand, and I say:

"Hello, my name is Kimberley Pierson. I'm the co-founder of MOCEAN and my husband is the Designer of the clothing that you have on...How do you like it (the clothing)?"

Are you happy with the quality of products that you are wearing?

Do you have any quality problems with other products that you may have received from MOCEAN?

Does the company MOCEAN treat you well?

How's their shipping?

Are the people there (at MOCEAN) nice? On the Phone?

Are you happy with the product's durability?

It's amazing how nicely these officers respond to my questions. Often they say something like, "I am rarely asked about my satisfaction about a product that I have...it's good that you have asked me. And, like my husband has stated, they are often happy to answer my questions. CrosSport Mocean seems to be doing a good job with their manufacturing, quality, delivery and customer service.

Above is another method that demonstrates how I have maintained the trademark MOCEAN by monitoring how the trademark MOCEAN is being utilized and accepted and thus, proves we have not abandoned the trademark "MOCEAN".

33. I have been actively involved with all matters of the trademark MOCEAN through the Section 8 filing (6 year renewal) on October 30, 2002, to properly maintain the registration of the trademark 'MOCEAN'. And I have performed the obligations that are set forth by the USPTO to maintain a trademark.

Above is a statement that demonstrates that I have maintained the trademark MOCEAN and thus, prove we have not abandoned the trademark "MOCEAN".

34. I have been actively involved with all matters of the trademark MOCEAN through the filing of the Change of Correspondent Address on December 13, 2004 to properly maintain the registration of the trademark 'MOCEAN'. And I have

performed the obligations that are set forth by the USPTO to maintain a trademark.

Above is a statement that demonstrates how I have maintained the trademark MOCEAN and thus, proves we have not abandoned the trademark "MOCEAN".

35. I have been actively involved with all matters of the trademark MOCEAN through the filing of the "Change of Correspondent Address" on July 30, 2005 to properly maintain the registration of the trademark 'MOCEAN'. And I have performed the obligations that are set forth by the USPTO to maintain a trademark.

Above is a statement that demonstrates that I have maintained the trademark MOCEAN and thus, proves we have not abandoned the trademark "MOCEAN".

36. I have been actively involved with all matters of the trademark MOCEAN as a RESPONDENT after the filing of the "Petition to Cancel" regarding the trademark "MOCEAN" on July 29, 2005 by Friedman Peterson Stroffee & Gerard on behalf of CrosSport Mocean Inc. And I have performed the calendared obligations and replied, to the best of my ability and according to the obligations to defend the trademark as set forth by the USPTO to maintain a trademark.

Above is a statement that demonstrates that I have "fought" to maintain the trademark MOCEAN and thus, prove that we have not abandoned the trademark "MOCEAN".

37. I have been actively involved with all matters of the trademark MOCEAN through the Section 8 and Section 9 filing (10 year renewal) on March 26, 2007, to rightfully maintain the registration of the trademark 'MOCEAN'. And I have performed the obligations that are set forth by the USPTO to maintain a trademark.

Above is a statement that demonstrates that I have maintained the trademark MOCEAN and thus, prove that we have not abandoned the trademark "MOCEAN".

Now, based on the foregoing facts and statements and Exhibits A through F, I believe that the Pierson's will be greatly damaged if the Petition to Cancel the trademark MOCEAN is granted.

I understand that willful false statements and the like are punishable by fine or imprisonment, or both (18 U.S.C. 1001) and further declare that all statements made of my own knowledge are true and that all statements made on the information and belief are believed to be true. I hereby declare further under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Respectfully submitted,

Dated: 5-7-2007

By: Kimberley L. Pierson
Kimberley Lyn Pierson
Co-Owner of the trademark MOCEAN

EXHIBIT "A"

BILL OF SALE

This Bill of Sale is made and entered into effective the 1st day of January, 1994, by and between Donn L. Pierson and Kimberley L. Pierson, individuals having an address at 7405 Seashore Drive, Newport Beach, California 92663 (jointly and severally the "**Seller**"), and CrossSport Mocean, a California corporation having offices at 7405 Seashore Drive, Newport Beach, California 92663 ("**Buyer**").

FOR AND IN CONSIDERATION Buyer's issuance to the Seller of all of Buyer's initial issuance of common stock (i.e. 1,000 shares to Donn L. Pierson and 1,000 shares to Kimberley L. Pierson), and in consideration of Buyer's assumption of all liabilities which may be associated with the assets described herein, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, Seller has sold, transferred, assigned and delivered, and by these presents does sell, transfer, assign and deliver unto Buyer all of Seller's right, title and interest in and to all of the assets identified on Exhibit "A" attached hereto and fully incorporated herein together with all liabilities related to the same, if any ("**Assets**").

TO HAVE AND TO HOLD unto Buyer, its representatives, successors, and assigns forever, and Seller hereby agrees to forever WARRANT AND DEFEND the Assets unto Buyer, and unto its representatives, successors and assigns from and against any and all claims whatsoever.

Seller represents, warranties and covenants to Buyer that (i) Seller is the owner and has absolute title to each and every item of the Assets, free and clear of all claims, liens, encumbrances and all other defects of title of any kind whatsoever, (ii) Seller has not made any prior sale, assignment or transfer of any item of the Assets or any interest therein to any person or other entity whatsoever, (iii) Seller has the present power and authority to sell, transfer, assign, and deliver the Assets to Buyer, (iv) the transfer by Seller to Buyer of the Assets in no way violates and/or breaches the terms or conditions of any agreement to which Seller is a party, including, but not limited to any security agreement or any agreement under which Seller obtains credit and/or financing of whatsoever kind, and (vi) that the Assets are in full and absolute compliance with all applicable laws, ordinances, regulations and agreements regarding the Assets and their construction and operation.

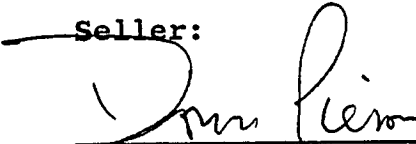
Seller further agrees that it will execute and deliver any and all conveyances, deeds, assignments, bills of sale, certificates, instruments of transfer, and other documents which may be necessary or appropriate to fully effectuate the terms hereof, and to vest in the Buyer, its representatives, successors, and assigns, title in

and to (i) each and every item of the Assets, and (ii) all Seller's right, title and interest in and to the same. Without in any limiting the other provisions of this Bill of Sale, Seller hereby agrees to indemnify, reimburse, defend, and hold Buyer, its representatives, successors, and assigns, harmless from and against any damages and/or losses of whatsoever kind, including, but not limited to reasonable attorneys' fees, which arise from (i) any claim to the title of any or all of the items of the Assets, and/or (ii) the breach of any representation, warranty or covenant made by Seller in this Bill of Sale.

This Bill of Sale is binding on the heirs, successors and assigns of Seller and inures to the benefit of the successors and assigns of Buyer.

EXECUTED effective as of the 1st day of January, 1994 by Seller.

Seller:

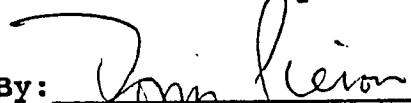

Donn L. Pierson


Kimberley L. Pierson

ACKNOWLEDGED and ACCEPTED:
on the 1st day of January, 1994:

Buyer:

CrossSport Mocean,
a California corporation

By: 
Donn L. Pierson, President

By: 
Kimberley L. Pierson, Treasurer

VL-243.1

HARD ASSETS: EQUIPMENT

EXHIBIT "A"

Description	Style #	Pattern \$	Spec \$	Grade \$	
Performance Anorak	M-5000	275	25	20	
Performance Pullover	M-4000	250	25		
Performance Bibs	M-8000	150			
Performance Pants	M-2000	230	25	20	
Performance Shorts	M-1000	215	25		
One Design Anorak	M-5010	200	35	164	
One Design Pullover	M-4010	250	32	375	
One Design Bibs	M-8010	200	20	230.5	
One Design Pants	M-2010	150	20		
One Design Shorts	M-1010	100	25	63	
All Terrain Anorak	M-5020	150			
All Terrain Pullover	M-4020	150		140	
All Terrain Pants	M-2020	150	25		
All Terrain Shorts	M-1020	80			
Ultralite Anorak	M-5030	80			
Ultralite Pullover	M-4030	80			
Ultralite Pants	M-2030	100			
Ultralite Shorts	M-1030	60			
Maverick Paddling Jkt	M-9000	200		180	
Maverick Paddling Shi	M-9010	80			
Crew Shorts	M-1058	80		120	
Surfskins	M-1040	60	20	42	
Vertical Skins	M-1041	60			
Vertical Pants	M-1043	75			
Yosemite Shorts	M-1054	150			
Point Shorts	M-1052	160	25	20	
Single TRAX Shorts	M-1045	150			
Chamios Brief	M-1046	100			
Trekker Shorts	M-1050	100			
Trekker Pants	M-2050	150		150	
Mt Telac Fleece Shorts	M-1056	75			
Mt Telac Fleece Pants	M-2044	75			
Sweatshirt 4	M-4040	100			
Oversized Polo	M-4500	100	25	125	
Volley Pattern	M-1064	75	25	125	
North Regatta Short	M-1090	80	25	125	
One Design Jacket	M-3010	150	25	150	
All Weather Jacket	M-3020	150	25	150	
Performance Jacket	M-3000	200	25	175	
Regatta Pants	M-2000	200	25	150	
North Twill Pants	M-2077	100	25	150	
Ultralite Jacket	M-3030	100	25		
Spinnaker Sweatshirt	M-4010	150			
Total's		5790	527	2674.5	8991.5

HARD ASSETS: EQUIPMENT

Description	Volts	Make	Serial #	Value	Purchase Date
Toyota Celica				800	Dec 92
Truck B2000 1986		Mazda		5200	Dec 92
Sewing Machines					
Multi needle	220			2475	June 6 1993
Single Needle	220	Consew	B406026	1500	June 6 1993
Over lock	220	Goldex	516155	1100	June 6 1993
Multi-use	110	Singer		600	June 6 1993
Foots				200.41	May 1993
Parts				147.14	May 7 1993
				6022.55	
Production Equipment					
Dyes for Padding (6)				700	May 1993
Pattern Nothcher				26	Apr 1993
Electric Cutter				455	Apr 1993
Hot Knife				80	Mar 1993
Hand Press Eyelet				200	July 93
Dyes for Eyelet (6)				400	June 4 1993
Cutting Bars				300	May 25 1993
Stack Cutter		Bluestreak		1500	May 25 1993
Phase Convertor3- 220V				600	May 25 1993
Looper				20	May 25 1993
Pattern Punch				80	Nov 22 1993
French Curve, Pattern Curves				102.5	May 25 1993
Scissors				60	June 1993
Cutting Tables 5				500	Jan 93
Shelves				100	Nov 93
Lights				50	Feb 21 1993
Chairs				30	Apr 4 1993
Spreader Rack				68	April 93
				5271.5	
Office Equipment					
Fax: Sharp UX 103				300	Sept 3 1992
Intercom				84	Feb 1993
IBM Computer386				1500	Jan 12 1993
Office Desk and File Set				160	April 10 1993
Okidata Printer				100	Nov 1993
HP4P Printer				1200	May 10 1993
Computer Software				2057	May 19-Sept 13 1993
				5401	
Sales Supplies					
High Quality Sales Hangers				140	Aug 92
Garment Bags				300	Aug 92
Garment Racks				250	Aug 92
Rounder Rack				150	Aug 92
Gridding				300	Aug 92
Waterfalls				200	Aug 92
Manequin				75	Aug 92
Wire Hangers				55	Sept 92
				1470	
				24165.05	
Total Equipment Value					
Mark's to buy					
Button Holer	220	Reece	S2-17594		

HARD ASSETS: EQUIPMENT

Description	Yardage	Value	Cost Per Yd
S2 Navy	3	10.95	3.65
S2 Sage	8	29.2	3.65
S2 Plum	3	10.95	3.65
S2 Iris	5	18.25	3.65
S2 Royal	5	18.25	3.65
S2 Copper	7	25.55	3.65
S2 Moonstone	8	29.2	3.65
S3 Olive	5	19.25	3.85
S3Sage	12	46.2	3.85
S3Plum	12	46.2	3.85
S3Navy	4	15.4	3.85
S3Red	3	11.55	3.85
U2Navy	50	315	6.3
U2Huckleberry	7	44.1	6.3
U2Silver	4	25.2	6.3
* U3 Spruce	1	6.9	6.9
U3Spruce2	4	27.6	6.9
U3Forest	35	241.5	6.9
U3Navy	7	48.3	6.9
U3Royal	6	41.4	6.9
U3Red	15	103.5	6.9
U3Red2	5	34.5	6.9
PC420 Navy	10	33.5	4.95
PC420 Grey	7	23.45	4.95
PC420 Black	33	110.55	4.95
PC420 White	2	6.7	4.95
PC420 Silver	10	49.5	4.95
PC420 Royal	15	50.25	4.95
PC420 Teal	16	53.6	4.95
PC420 Yellow	6	20.1	4.95
PC420 Silver/Plum	5	24.75	4.95
C330Hunter	7	28	4
C330Black	75	300	4
C330Spruce	35	140	4
PD600 Red	390	1306.5	3.35
PD600 Royal	4	13.4	3.35
PD600 Purple	30	100.5	3.35
PD600 Teal	55	184.25	3.35
PD600 Navy	25	83.75	3.35
O200 Blue	3	8.85	2.95
CalveryTwill Hunter	7	34.65	4.95
CalveryTwill Copper	7	34.65	4.95
Ripstop-Red	7	24.15	3.45
Ripstop-White	4	13.8	3.45
Ripstop Yellow	4	13.8	3.45
Ripstop Berri	10	34.5	3.45
Ripstop Navy	5	17.25	3.45
Ripstop Royal	10	34.5	3.45
Mesh Black	35	42.7	1.22
Mesh White	8	8.4	1.05
Pellon	125	93.75	0.75
Taffeta Black	10	17	1.7
Spandura Navy	4	95.6	23.9
Spandura Red	11	262.9	23.9
X-Factor Black	40	660	16.5

HARD ASSETS: EQUIPMENT

X-Factor Navy	10	165	16.5
Darlexx Black	3	64.5	21.5
Durapel 2Black	6	35.7	5.95
Supplex/Lycra Blk	40	450	11.25
HB Cotton Twill Nvy	287	875.35	3.05
HB Cotton Twill Ryl	277	844.85	3.05
Fleece SS Pkt	15	47.25	3.15
Flee200S Blk	20	225	11.3
Flee 100S Black	13	94.25	7.25
Flee 100S Navy	6	43.5	7.25
FleeEcoSpun	10	62.5	6.25
FleeWP1000Purp/Grey	6	105	17.5
Flee Misc Color	15	45	3
Thinsulate 100	5		
Thinsulate 50	5		
Thinsulate 25	10		

Thread 125

Total Materials 8278.15

HARD ASSETS: EQUIPMENT

Bartacker	110	Brother	J0588222	
Single Needle	110	Brother	E6587163	
Single Needle	110	Brother	D4543794	
Overlock	220	Pegasus	8723173	
Overlock	220	Pegasus	8723171	
				7000

EXHIBIT “B”

Sec. 16D
Trademark
VINCENT J. LE PORE III

ATTORNEY AT LAW

212 CARNATION AVENUE

CORONA DEL MAR, CALIFORNIA 92625

(714) 673-0681 FAX (714) 673-0692

February 7, 1994

Donn L. Pierson, Director
Kimberley L. Pierson, Director
Robert E. Hindman, Chairman of the Board
CrossSport Mocean
7405 Seashore Drive
Newport Beach, California 92663

RE: CrossSport Mocean
a California Corporation ("Corporation")

Dear Robert, Donn and Kimberley:

As we discussed at our January 15, 1994 meeting, the Articles of Incorporation for your new Corporation were filed in the office of the California Secretary of State on December 1, 1993. In connection with this filing and the completion of the formation of your Corporation, together with your Corporate Record Book enclosed please find copies of the following documents:

1. Certified Articles of Incorporation;
2. Minutes of Action of Incorporator Taken without a meeting by Written consent;
3. Waiver of Notice and Consent to Holding of Organizational Meeting of Board of Directors;
4. Minutes of First Meeting of Board of Directors;
5. Bylaws of the Corporation;
6. Secretary's Certificate regarding Bylaws;
7. Corporate Seal;
8. Investment Representation Letters submitted by Donn L. Pierson (1-1-94), Kimberley L. Pierson (1-1-94) and The Hindman Family Trust (2-11-94);
9. Common Stock Certificate Nos. 1, 2 and 3;
10. Bill of Sale dated January 1, 1994;

11. Commissioner of Corporations, State of California, Notice of Transaction Pursuant to Corporations Code Section 25102(f) (2 copies and 2 cover letters i.e. for the 1-1-94 issuance and the 2-11-94 issuance);
12. Statement by Domestic Stock Corporation and cover letter; and
13. Unanimous Written Consent of Shareholders and Directors dated 2-11-94.

As we discussed in our meeting, although corporation's Articles were filed on December 1, 1993, for accounting purposes we have completed the formation of the corporation so that it commenced business on January 1, 1994. That is, effective of January 1, 1994, Donn L. Pierson and Kimberley L. Pierson as the general partners of CrossSport Mocean, a California general partnership, did transfer all the business, assets and liabilities of said general partnership into the Corporation, in exchange for the initial issuance of common stock. Thus, effective January 1, 1994 all of your dealings with this business should be in the name of CrossSport Mocean, a California corporation.

Please note that as we also discussed, I have not prepared an "S" corporation election pursuant to Section 1362(a) of the Internal Revenue Code (i.e., Subchapter S Election), as you indicated that the Corporation's Shareholders did not want to have to recognize the income of the Corporation personally and you did not believe that there would be a loss in the first year of operations.

Being a new corporation, the remainder of this letter will provide a general summary of some of the legal and accounting issues that you and your Corporation should be aware of in regard to the running of the Corporation and the operation of its business. Some of the matters discussed may be redundant in view of our past meetings and discussions; however, I believe it is best to set forth this general summary in one letter, for your quick reference.

1. Corporate Formalities

It is difficult to over estimate the importance of maintaining the formal integrity of your new Corporation. It is a separate and distinct entity from the Shareholders. All important transactions in your business should be reflected in the corporate minutes. All contracts, including employment contracts, loans, and leases, should be made in the name and on behalf of the Corporation. They should be memorialized by appropriate minutes in the Corporate Record Book. I customarily advise that the original Corporate Record Book be kept at my office with copies of documents kept at

your offices. Please let me know if you want to maintain the Corporation's records in this manner.

Without limiting the significance of the foregoing general caution, it is most important to realize that you are going to be required formally to consider, review and act upon the following:

(a) Salary and Bonus. As we discussed, your Corporation will be on the cash method of accounting. It will be essential for you to establish and adjust, from time to time, the salaries and any bonuses for yourselves and other employees of the Corporation. A periodic review should be made. If you have any questions, please do not hesitate to contact me or your accountant.

(b) Issuance of Additional Shares of Stock. Suffice it to say, taking in a new Shareholder is a serious matter. Before a commitment is made to issue additional stock to anyone (besides The Hindman Family Trust which was dealt with in the 2-11-94 Unanimous Written Consent of the Shareholders and Directors), I advise that you contact me and your accountant, and an appropriate agreements can be drafted. I suggest that the matter be thoroughly studied before any commitments are made.

(c) Use of the Corporate Seal. I have obtained a corporate seal for your new Corporation, which should be maintained with your Corporate Record Book. Although there is no legal requirement that a corporate seal be used on any documents, many financial institutions require that it be used on corporate resolutions, loan documents, notes, and the like. You will observe that there is a place for the corporate seal, for example, on your stock certificates.

(d) Loans to Employees. Loans to employees, including yourselves, should be well documented. If you need promissory notes to evidence the loan(s), please let me know. Please send a copy of any and all notes, as you execute them, to your accountant and to me for our files.

2. Signing of Contracts.

All contracts (i.e., leases, employment contracts, loans, etc.) should be made in the full legal name of your Corporation (i.e. "**CrosSport Mocean**", as it appears on the enclosed copy of certified Articles of Incorporation) and all checks should be written on the Corporation's account. In the case of contracts, not only should the corporate name appear, but the respective title of the Officer signing for the Corporation, i.e., "By: Donn L. Pierson, President." Signing written documents on the Corporation's behalf in this manner clearly makes the documents an obligation of the Corporation and not a personal obligation of the individual.

3. Conducting Business as a Corporate Entity.

Your Corporation should be sure to conduct all corporate business only in the Corporation's name and not in the individual name of any director, officer, or shareholder. With the assistance of your accountant and, where necessary, with my assistance, the following initial steps should be taken:

(a) All letterheads, bills, invoices, and other business forms used by the corporation should reflect its full legal name (i.e. CrossSport Mocean), as well as its current address and telephone number.

(b) All of your professional cards should similarly reflect both the Corporation's name as well as the employee's name and title/office, if appropriate.

(c) Your bank and checking account should reflect the corporate name. It is my understanding from Kimberley, that effective January 1, 1994, the Corporation did open its own bank accounts at the Bank of America branch located at 3475 Via Lido, Newport Beach, California 92663. You will note that this action was authorized in the minutes of your first Board of Directors meeting. Please send me a copy of any forms executed with Bank of America in regard to these new accounts so that we can insert the appropriate resolutions in the Corporate Record Book.

(d) Loans made to the business should be made in the name of the Corporation, even though you may be required to endorse or guarantee the same personally. Whenever such a loan is made, it should be approved by a meeting of the Board of Directors of the Corporation and the appropriate resolutions should be adopted and inserted in the Minute Book of the Corporation. Please give me a call if you desire assistance with such documentation.

(e) Your telephone listing and your listing in all business directories should be changed to reflect the name of your Corporation as the opportunity arises. Please call the phone company as soon as it is convenient.

(f) The name of your place of business and the directory or any other signs which you presently exhibit should reflect the new name of your Corporation.

(g) Worker's compensation insurance is required and should be acquired in the name of your Corporation. Corporations in which the only employees are the owner, or the owner and his/her spouse, are not required to obtain worker's compensation insurance. All insurance policies relating to the business should be transferred to the Corporation. After careful study by your accountant and your insurance advisor, you may wish to transfer certain of your personal life insurance obligations and contracts. You also may

Corporation, these are valuable documents and should be kept in a safe place, preferably a safe deposit box.

6. Annual Meetings.

California law requires that an annual meeting of the Shareholders be held each year for the election of Directors for the ensuing year and for other business that may come before the meeting. An annual meeting of the Board of Directors is usually held immediately after the annual meeting of the Shareholders to elect officers of the Corporation for the next year, approve and ratify proper acts of Officers during the current year, approve the compensation of the key employee(s) for the current year, and to approve the Corporation's contributions to its retirement plans, if any, for the current year.

7. Board of Directors.

Article I of your Corporation's Bylaws sets forth the powers, standard of care, responsibility and administrative rules of your Corporation's Board of Directors. The Board of Directors is charged with the management of the Corporation and is held accountable for the ultimate direction of the Corporation's business and affairs. Although day-to-day management of the Corporation is generally delegated to the Corporation's Officers, the Directors are responsible for approving major/material corporate action, setting goals and policy for the Corporation, and monitoring the performance of management in achieving these goals. In performing these functions, the Directors are fiduciaries for the benefit of the Shareholders. The Directors will be held liable to the Corporation's Shareholders if they fail to exercise "reasonable care" or if they fail to act in the best interests of the Corporation (i.e., the "duty of loyalty").

Directors exercising a duty of care are required to act as prudent persons would act in similar circumstances. In doing so, the Directors may rely on the advice of independent experts, but they must make a reasonable inquiry into the facts on which such experts base their advice. The Directors' duty of loyalty also includes a prohibition against a Director profiting from a transaction at the expense of the Corporation and its Shareholders. A corporate transaction in which a Director has a material financial interest will not be invalid if the transaction is fair to the Corporation and the material terms and the Director's interest are disclosed to and ratified by the Shareholders or by uninterested Directors acting in good faith.

To meet the fiduciary requirements of directing the Corporation, the Board should convene regularly to discuss the Corporation's business and to vote on required actions. Article I Section 8 of the Corporation's Bylaws state that, at a minimum the Board of Directors shall hold at least four (4) regular

meetings per year i.e. one (1) meeting within (30) days after the end of each calendar quarter. Such meetings may be conducted by a conference call if all Directors can hear each other simultaneously. Also, as set forth in the Corporation's Bylaws, the Directors' consent to a specific action(s) can be documented by means of an "unanimous written consent" signed by all Directors, as an alternative to actually holding a meeting.

California Corporation Law also requires that your Shareholders meet at least annually to elect Directors and to conduct other Shareholder business. A Shareholder's vote is required for a number of significant events, including election of Directors, most amendments to the Articles of Incorporation, the sale of substantially all of the Corporation's assets, and certain mergers and reorganizations of the Corporation. Also, similar to actions by the Board of Directors without a meeting, your Corporation's Bylaws provide that Shareholder action by "unanimous written consent" is a permissible alternative to a meeting if the consent process satisfies statutory requirements.

Minutes of both Directors' and Shareholders' meetings should be kept. The minutes must identify the issues before the groups and state the result of the vote on each issue. The minutes or, in the alternative, unanimous written consents, together with copies of the notice of the meetings or waivers thereof, should be placed in the Corporation's record book. A copy of these minutes, certified by the Corporation's Secretary, is prima facie evidence that the meeting took place and that the matters stated in the minutes transpired. If you need any assistance in appropriately documenting any meetings or actions of your Corporation's Board of Directors or Shareholders, please do not hesitate to give me a call.

California law requires that the accounting books and records, and the minutes of proceedings of shareholders' and board of directors' meetings, be open for inspection by any shareholder, director or holder of a voting trust certificate. Further, corporations are required to send an annual report to shareholders not later than 120 days after the close of the fiscal year. This requirement can be waived in the Bylaws by corporations with fewer than 100 shareholders. The annual report must contain a balance sheet, an income statement, and a statement of changes in financial position for the fiscal year, and also must be accompanied by a report thereon by the company's independent accountants or, if there is no such report, by a declaration by an authorized officer of the corporation that the statements were prepared without audit.

Corporations with 100 or more shareholders that are not subject to federal securities reporting requirements also must comply with additional disclosure requirements. These include describing any significant transactions between the corporation and any director, officer, or 10-percent or greater shareholder.

8. Insurance.

As previously stated, all of your business insurance (public liability, worker's compensation, disability, general, etc.) must be acquired by the Corporation, either by assignment or binder. Accordingly, an analysis of your insurance should be made by you and your insurance agent. Your insurance agent should be instructed to make such purchases of new coverage as you feel are necessary immediately upon the commencement of business by your corporation. I suggest that you contact your insurance agent as soon as possible to notify him of your incorporation. Please tell him to feel free to call me at any time he has any questions.

9. Fictitious Business Names.

If the Corporation plans to transact business under a name other than that which is listed on its Articles of Incorporation, it is required to file a Fictitious Business Name Statement with the clerk of the county in which the Corporation has its principal place of business. It is also prudent to file a statement in the other counties where the Corporation will be transacting business. Once the statement is on file with the county clerk, it also must be published in a newspaper of general circulation, in the same county, once a week for four consecutive weeks. Within 30 days of completion of publication, an affidavit of publication must be filed with the county clerk.

Fictitious Business Name Statement forms may be obtained from the county clerk's office of the county in which you intend to file, or the newspaper that will be publishing the statement. The filing fee for each county is \$10. Fees for publication vary according to which newspaper is used for publication. For information on publication fees for Fictitious Business Name Statements, contact the legal advertising department of a newspaper in general circulation in the county in which the Corporation intends to file. Again, if you have any questions or desire any assistance with the filing of a Fictitious Business Name Statement, please do not hesitate to give me a call.

10. Income Tax Returns.

Your Corporation must file federal and California income tax returns for each of its tax years whether or not it has any income. These returns are due no later than the 15th day of the third month following the close of the tax year unless a timely extension is filed.

Every corporation that is incorporated or qualified to do business in California is subject to the California franchise tax from the time it is incorporated or qualified. Until such time as it commences to do business in California, the corporation pays only the \$800 minimum tax. When a corporation commences to do

business, it pays only the minimum tax for the year in which it commences to do business. The length of the year has no effect on the tax. It is extremely important that your Corporation file all tax returns and pay all taxes required by the State of California in a timely manner, as failure to do so will result in your Corporation losing its "good standing" status with the California Secretary of State, which will equate to the suspension of its corporate status. The suspension of a corporation's corporate status is a very serious matter. In brief, such a suspension of corporate powers, rights and privileges has the following effects:

- a) Contracts are voidable by any party to the contract other than the corporation;
- b) Any transfer of personal or real property by the corporation is voidable by any party to the transfer other than the corporation;
- c) While suspended, the corporation cannot commence a lawsuit, defend itself in a lawsuit, or appeal an adverse judgment;
- d) The fact that a corporation has a suspended corporate status can enhance a plaintiff's argument to "pierce the corporate veil," which, if successful, could subject the corporation's officers, directors and shareholders to personal liability.

Each year please send me a copy of the income tax returns filed with the Internal Revenue Service and the California Franchise Tax Board.

11. Estimated California Franchise Tax Payments in First Year.

A corporation that is incorporated in California must file a declaration and pay estimated tax during its first year, even though it paid \$800 at the time of incorporation. The initial \$800 is not related in any way to the tax that will be payable on the income of the first year and it cannot be used as a credit or offset against the tax that is payable on that income. Estimated tax is payable during each income year, even though it is actually a tax for the privilege of doing business in the following year. The first declaration and payment of estimated tax is due on the 15th day of the 4th month of the first income year. If it is anticipated that there will be no income in the first year, the declaration will, of course, show an estimated tax of only the \$800 minimum. I will assume that your accountant will prepare the estimated tax vouchers for you unless I hear otherwise.

12. Employer Tax and Withholding Responsibilities.

As an employer, your Corporation will be responsible for certain employer taxes. In some cases, your Corporation will have to pay the tax directly. In other cases, your Corporation's employees pay the tax, but the Corporation is responsible for withholding the tax payment from their wages and making periodic deposits of these funds in an authorized bank. See IRS Circular E, Employer's Tax Guide and Tax Guide for Small Businesses, both available from the IRS. See also Employer's Tax Guide for the Withholding, Payment, and Reporting of California Income Tax (Form DE 44) and Employer's Tax Guide (Form DE 4525), both available from the California Employment Development Department free of charge. Please note that, under certain circumstances, your Corporation may desire to retain independent contractors, rather than employees, in which event your Corporation's employer/employee tax obligations will be altered significantly. Please be advised that the Internal Revenue Service and state taxing authorities have strong opinions as to whether an individual should be classified as an employee or an independent contractor. Therefore, if you are considering retaining independent contractors, I suggest that you contact me prior to such retention, so that we can discuss the relevant issues regarding the same.

(a) Federal.

(1) Wage Withholding. Your Corporation must withhold federal income tax from the taxable wages paid to its employees. You will need to obtain from each employee a properly executed Employee Withholding Allowance Certificate (IRS Form W-4). Before January 31, following the close of the calendar year, you must provide each employee with an annual Wage and Tax Statement (IRS Form W-2).

(2) Social Security Taxes (FICA). Social security taxes are imposed on both employers and employees. Your Corporation must withhold FICA taxes from each employee's wages and pay a tax equal to the amount paid by each employee.

(3) Federal Unemployment Tax (FUTA). Although a few exceptions exist, nearly all employers are subject to the federal unemployment tax. This tax is imposed on the employer, not on the employee.

(4) Return and Deposit of Taxes. With some exceptions, employers subject to either income tax withholding or social security taxes must file a quarterly return on federal Form 841 and must deposit the income tax withheld and the FICA taxes with an authorized commercial bank depository or a Federal Reserve Bank or branch. IRS Circular E will explain when the required deposits must be made.

(b) California.

(1) Wage Withholding. As a California employer, your Corporation must withhold California income tax from the taxable wages paid to employees and must deposit these funds with the state. The process is similar to that for federal income taxes.

(2) California Unemployment Insurance Tax. A California employer is generally subject to an unemployment insurance tax on the taxable wages paid to its employees. Your Corporation must register at the California Employment Development Department within 15 days after paying \$100 of taxable wages during a calendar quarter. This tax is imposed on the employer, not the employees. See Employer's Tax Guide: Unemployment Insurance Code of California, available from the California Employment Development Department.

(3) California Disability Insurance Tax. Although California employees are subject to this tax, the employer has the responsibility of withholding the tax from the wages paid to such employees. However, the employer has the alternative of establishing a state-approved private disability insurance coverage plan. If this option is chosen, employees may be required to make contributions directly to this plan in lieu of the tax payment.

(c) General Considerations. Your Corporation's responsibilities to pay employment taxes, to withhold taxes imposed on its employees, to file employer tax returns, and to make periodic employer tax deposits are substantial. The penalties for employer tax noncompliance can be severe: CORPORATE OFFICIALS CHARGED WITH TAX-WITHHOLDING RESPONSIBILITIES MAY BE PERSONALLY LIABLE FOR 100 PERCENT OF THE UNPAID TAXES AND ALSO FOR ANY TAX PENALTIES IF THEY NEGLECT THEIR RESPONSIBILITIES. If you have not already done so, I suggest that you consult your accountant promptly to develop proper tax accounting procedures so that timely tax payments are made.

13. Property, Sales, and Other Taxes.

(a) California Sales and Use Taxes.

(1) Permit Requirement. All parties engaged in the business of selling tangible personal property at retail in California must obtain a seller's permit from the California State Board of Equalization. As a practical matter, a permit is usually required even though the corporation sells such tangible personal property at wholesale. A separate permit must be obtained for each retail business location and must be conspicuously displayed. A substantial security deposit may be required. A business having a seller's permit can purchase tangible personal property for resale without having to pay sales tax to the seller, provided it gives

the seller a signed resale certificate in a form prescribed by the State Board of Equalization.

(2) Tax Payment Requirements. If a corporation sells tangible personal property at retail in California, it will be subject to the California sales tax unless the property sold is specifically exempted. California also imposes a "use tax" on most retail purchases that occur outside of California but are intended for use within California. Any retailer engaged in business in California is required to collect the sales and use taxes and remit them to the state. A retailer is deemed to be "engaged in business" in California if it has any kind of an establishment in the state or if it has representatives operating in any kind of sales activity in the state. This law applies whether the retailer is involved directly or through a subsidiary or agent.

The holder of a seller's permit must file sales and use tax returns and pay or prepay the taxes collected, generally on a quarterly basis. Your Corporation should promptly consult its accountant regarding the dates on which these returns must be filed.

(3) Personal and Real Property Taxes. Your Corporation must pay annual property taxes based on the value of the taxable real and personal property which the Corporation owns or possesses in its name on the immediately preceding March 1 (lien date). Usually, this tax is paid to the County Assessor of the county in which the property is located. The county has a priority tax lien on the property as of the lien date, which is removed by the payment of this tax.

If your Corporation owns taxable personal property with an aggregate cost of at least \$30,000, it must file each year, on or before the date designated by the County Assessor (usually between April 1 and the last Friday in May), a written property statement. In cases in which the cities do their own assessing, a separate written property statement should be filed with the city. If the Corporation owns taxable personal property costing less than \$30,000, it need file a written property statement only on the County Assessor's request. Real property taxes are payable in two installments, the first due before April 10th and the second due before December 10th of each year. Personal property taxes must be paid by the due date specified in the County Assessor's notice.

You should consult your accountant for advice regarding filing property tax statements because there are substantial penalties for late payment and there are numerous special provisions (e.g., an exemption for "intangibles"). This area is very complex, and competent accounting advice is essential to ensure full compliance.

(4) Other Taxes. Depending on the nature of your business, there may be special taxes imposed by federal, state, or

local governments, such as those on alcohol, tobacco, and real estate transactions. Your accountant should be able to assist you in preparing the proper tax forms and in making the necessary tax payments.

14. Personnel/Labor Practices.

Nearly every business is subject to a variety of federal and state regulations that govern the personnel/labor practices the business must follow. Although a full discussion of your Corporation's obligations under these various laws is beyond the scope of this letter, the following information should provide a useful overview of some of the rules that apply to an employer. Because of the complexity of labor law, and the great expense required to defend against legal actions in this area, I recommend that you contact me for further advice on this subject matter if you have any questions.

(a) Hiring Practices and Employee Termination. Many federal and state laws regulate employment practices and prohibit discrimination on the basis of sex, age, race, color, national origin, religion, or mental or physical handicaps. These anti-discrimination laws apply to almost every aspect of the employer-employee relationship, including hiring, compensation, promotions, work assignments, and working conditions. In addition, if your Corporation will be contracting with the federal government, you will be required to establish an affirmative action program.

The U.S. Department of Labor and the U.S. Equal Opportunity Commission are the principal federal agencies in this area. The California Department of Fair Employment and Housing also regulates employment practices to protect people from employment discrimination. California anti-discrimination laws and regulations generally are more stringent than the federal requirements. Whenever such requirements overlap, the corporation will usually be bound by the more stringent standards.

(b) Wages, Hours, and Working Conditions. The federal government, through the Wage and Hour Division of the U.S. Department of Labor, sets minimum wages and also regulates overtime and other aspects of working conditions for nearly all employees of firms engaged in interstate commerce. Notable exceptions to these rules include executives, administrators, professional personnel, and outside sales people.

Through the Division of Labor Standards Enforcement of the Department of Industrial Relations, California enforces laws governing the payment of wages, the minimum wage, hours of work and overtime, conditions of employment, equal pay for equal work, and compliance with compulsory Workers' Compensation laws. The Industrial Welfare Commission of the Division of Labor Standards Enforcement has the authority to eliminate working conditions

detrimental to the welfare of California workers. The Commission issues special orders setting minimum wages, hours of employment and overtime, and standards for working conditions, both in general and for specific industries.

(c) Workers' Compensation. California law requires nearly every employer to obtain workers' compensation insurance for its employees. There are penalties for noncompliance. The workers' compensation laws impose liability on the employer for any work-related accident, regardless of the employer's negligence. Workers' Compensation insurance provides a schedule of benefits to the injured employee or his or her heirs if the employee is killed. Workers' Compensation liability insurance can be obtained either from the local office of the State Compensation Insurance Fund or from state-licensed workers' compensation private carriers. Alternatively, a business can obtain a certificate of consent to self-insure from the Director of Industrial Relations.

(d) Employee Benefits. If the corporation decides to provide other benefits to its employees, such as group insurance, or if the Corporation adopts a pension or profit sharing plan, the Corporation may be subject to the Employee Retirement Income Security Act of 1974 (ERISA). ERISA requires that an employer meet specified requirements and provide certain information to employees if an employee welfare plan is instituted. Welfare plans can include benefits such as health insurance, long term disability insurance, group term life insurance, and accidental death insurance. The ERISA requirements for a pension or profit sharing plan, even for a very small business, are complex and expensive. Because of the complexity of these reporting requirements, and because of the potential for fines and other civil and criminal penalties, I recommend that you contact your accountant for further advice if there are any questions on this matter.

(e) Notices. Employers are required to post, in a conspicuous location, a number of notices regarding employees' rights. Some of the notices most commonly required, and the agencies from which copies may be obtained, are as follows: Industrial Welfare Commission orders (California Department of Industrial Relations, Division of Labor Standards Enforcement); federal minimum wage notice (Wage and Hour Division, U.S. Department of Labor); notice entitled "Safety and Health Protection on the Job" (California Department of Industrial Relations, Division of Occupational Safety and Health); notice regarding the Fair Employment and Housing Act (California Fair Employment and Housing Commission); federal civil rights notice (U.S. Equal Opportunity Commission); notice of paydays and time and place of payment (Department of Industrial Relations); and workers' compensation notices (which should be obtained from your workers' compensation insurance carrier).

15. Licensing.

(a) State and Local Licenses. State and local licensing is required for a wide variety of businesses and professions that may be conducted in the corporate form. Information on state requirements can be obtained from the California License Handbook and the California Permit Handbook, which can be obtained from the Office of Small Business Development (1121 L Street, Suite 600, Sacramento, CA 95814) and the Department of General Services, Documents Publications Section (P.O. Box 1015, North Highlands, CA 95660), respectively. Licensing requirements imposed by cities, counties, and other local government entities vary widely. Some California cities require certain businesses to obtain a license and pay a tax for the privilege of doing business in that city. This tax is usually imposed on an annual basis. A new business must obtain its registration certificate and a minimum tax must be paid on or before the last day of the month following the date the business commences. You should promptly advise your accountant of the nature of your Corporation's business and of the locations in which it will be carrying on business so that the necessary licenses are obtained and the local taxes are paid.

16. Miscellaneous Matters.

(a) Casualty and Public Liability Insurance. Generally, it is advisable to obtain fire and extended peril insurance on all property that your Corporation owns or for which it is responsible. A comprehensive public liability insurance policy should be obtained, especially if the Corporation's business premises are open to the general public. Such a policy should insure the Corporation against liability imposed by law for the operation of its business, its automobiles, and the maintenance of its property. Products liability insurance and other types of insurance may be available. You should promptly review the Corporation's potential insurance requirements with its insurance agent.

(b) Annual Information Filing With the Secretary of State. Newly formed corporations must file a Statement by Domestic Stock Corporation within 90 days after the date of incorporation. The statement requires the disclosure of the names and addresses of your Corporation's Directors and principal Officers, the address of the Corporation's principal office, the name and address of its agent for service of process, and the number of authorized Directors. As stated above, I have prepared your Corporation's first Statement by Domestic Stock Corporation, which I will file for you with the California Secretary of State. Each year this form, or a form stating that there has been no change in the information contained in the last filed statement, must be filed by the anniversary date (the form also may be filed up to three months before the anniversary date). There is a \$5 filing fee, and the necessary forms can be obtained from the Statement of Officers

Department, Secretary of State, P.O. Box 2830, Sacramento, California 95812. There is a \$250 fine for noncompliance.

(c) Securities. The issuance of securities by your Corporation is subject to both federal and state securities laws. Although the federal and state definitions of a security are not identical, such definitions are quite broad and include stocks, options, warrants, evidences of indebtedness, investment contracts, and interests in a stock or profit sharing plan. Officers and directors may be held personally liable for criminal and civil violation of securities laws. Thus, whenever a corporation considers offering, issuing, or selling securities, it must be cognizant of applicable federal and state laws. Your Corporation also should be aware of "private placement" and "limited offering" exemptions from these laws.

Because of the complexity and high risks involved, I recommend that you contact me to assist the Corporation with any securities-related transaction -- for example, additional investments in your Corporation by existing or new investors -- before any phase of the transaction is undertaken.

(d) Trademarks, Tradenames, and Trade Secrets. AS you know, I am currently working on the perfection of the trademark "Mocean Sport & Design" which was originally filed by "Kimberley Hindman" as Registration No. 1696981. At the request of Donn L. Pierson, I am also working on the patent for the "Backstay" design. At your convenience, we should discuss where ownership of this trademark and patent should reside i.e. what would be best from a financial, tax and possible future investor perspective. All trademarks, tradenames, patents, trade secrets and confidential information used by your business is extremely valuable and should be protected where necessary with confidentiality and non-disclosure agreements. When you feel that this confidential information risks exposure, please contact me so that we can structure the appropriate restrictive agreements.

(e) Buy-Sell/Shareholder Agreements. Most companies with more than one shareholder restrict the transfer of securities held by their shareholders through a buy-sell or shareholder agreement. A buy-sell agreement typically will cover the following:

(1) Restrictions on transfers (when a shareholder may or may not transfer his shares; to whom, if anyone, the shareholder may sell the shares without consent; and the terms of a right of first refusal for the other shareholders).

(2) Mandatory repurchase (when the corporation and/or shareholders must repurchase the corporate stock, such as on the death of a shareholder).

(3) Optional repurchase (when the corporation and/or shareholders may repurchase the corporate stock, such as on termination of employment of a shareholder with the corporation).

(4) Price and terms of sale (what valuation method will be used to determine the price of the stock and what terms of payment will be required).

At our January 15, 1994 meeting we did discuss many of the issues which should be addressed in a buy-sell or shareholder agreement. As we agreed, I am preparing a draft of such an agreement for your mutual review before I finalize the same.

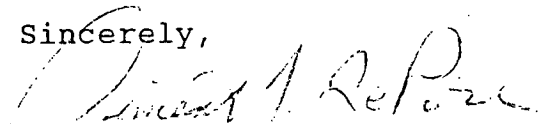
17. Need for Competent Legal and Accounting Advice.

As you can see, new and continuing corporations must confront a number of potential legal and accounting issues. Careful planning and competent legal and accounting advice are necessary to maximize the benefits of corporate status and to avoid pitfalls resulting from complex regulatory matters governing your Corporation. As a continuing matter of sound practice, I should meet with you and your accountant at least annually, preferably early in the last month of each fiscal year, to make sure that all required corporate formalities are observed and to take any necessary actions. You should also consult regularly with your accountant during the year. Please do not hesitate to contact either of us at any time, should have questions.

The foregoing is a generalized summary of some of the legal and accounting issues as they now exist. The laws and regulations applicable to corporations change rapidly and are more detailed than I have been able to cover in this letter. Therefore, during the life of your Corporation it is important that you analyze each matter and transaction affecting the Corporation, so that you can determine how the laws and regulations which are then in effect apply to a particular matter.

I would be happy to assist you in planning the operations of your Corporation from a legal perspective. If you have any questions concerning any of the foregoing, please do not hesitate to call. Again, it was a pleasure working with you in the formation of your new Corporation. I wish you and your new Corporation the best of success in all its future ventures.

Sincerely,



Vincent J. Le Pore III, Esq.

EXHIBIT "C"

MINUTES OF FIRST MEETING

OF

BOARD OF DIRECTORS

OF

CrosSport Mocean

The Directors of the above corporation held their first meeting on December 31, 1993, at 7405 Seashore Drive, Newport Beach, California 92663, commencing at 10:00 a.m. The meeting was held pursuant to a Waiver of Notice and Consent signed by all the Directors, which has been placed in the Minute Book preceding these minutes.

The following Directors, constituting a quorum of the Board of Directors named by the incorporator, were present:

Donn L. Pierson

Kimberley L. Pierson

Robert E. Hindman

Absent were: no one

Also present were: Vincent J. Le Pore III, Esq.

Lorene Hindman

Upon motion duly made, seconded and unanimously carried, Robert E. Hindman was elected Chairman of the Board of Directors,

to hold said position subject to the corporation's Bylaws, until the next Annual Meeting of the corporation's Board of Directors or until his successor is duly elected and qualified. Also, upon motion duly made, seconded and unanimously carried, Vincent J. Le Pore III, Esq. was elected Secretary of the meeting.

The Chairman stated that the Articles of Incorporation of the Corporation were filed in the office of the California Secretary of State on December 1, 1993. The Chairman presented to the meeting a certified copy of the Articles of Incorporation and the Secretary was directed to insert the copy of the Minute Book in the Corporation.

The meeting proceeded to the completion of the organization of the corporation and, upon motion duly made, seconded, and unanimously carried, the following resolutions were adopted:

RESOLVED: That the corporation commence its business and operations on January 1, 1994.

RESOLVED: That any and all actions heretofore taken by the corporation's Incorporator, that being Vincent J. Le Pore III, Esq., are hereby ratified and approved.

RESOLVED: That, to the maximum extent permitted by law, the corporation hereby fully indemnifies and holds the corporation's

Incorporator harmless from and against any and all liabilities, damages, costs or expenses (including attorneys' fees), which may arise as a result of the Incorporator's actions.

RESOLVED: That Vincent J. Le Pore III, Esq., named as this corporation's initial agent for service of process in the Articles of Incorporation, is hereby confirmed in such capacity.

RESOLVED FURTHER: That the Bylaws presented to this meeting be, and the same hereby are, adopted as and for the Bylaws of this corporation, and the Secretary is directed to certify the adoption of said Bylaws and to maintain a copy of the Bylaws, so certified, at the corporation's principal executive or business office in California in accordance with Section 213 of the California General Corporation Law.

RESOLVED FURTHER: That the corporate seal in the form, words, and figures presented to this meeting and impressed upon the last page of these minutes, be, and it hereby is, adopted as the seal of this corporation.

RESOLVED FURTHER: That the form of stock certificate (s) presented to this meeting be, and it hereby is, approved and adopted, and the Secretary is directed to insert a specimen certificate in the Minute Book immediately following these minutes.

RESOLVED FURTHER: That 7405 Seashore Drive, Newport Beach, California 92663 be, and the same hereby is, designated and fixed as the principal executive office for the transaction of the business of this corporation.

ELECTION OF OFFICERS

The Chairman stated the next item of business would be to elect officers of the corporation for the coming year. After discussion, and upon nominations duly made and seconded, the following persons were unanimously elected to the offices respectively set forth, to hold said offices subject to the corporation's Bylaws, until the next Annual Meeting of the corporation's Board of Directors, or until their successors are duly elected and qualified:

TITLE	NAME
President and Chief Executive Officer	Donn L. Pierson
Treasurer and Chief Financial Officer	Kimberley L. Pierson
Secretary	Vincent J. Le Pore III

The Directors thereupon unanimously adopted the following resolution:

RESOLVED: That the corporate Officers are hereby directed to prepare and file with the California Secretary of State the Information Statement as required by Section 1502 of the California General Corporation Law.

FISCAL YEAR

The Chairman stated it would be advisable for the corporation to establish a fiscal year. Upon motion duly made, seconded, and unanimously carried, the following resolution was adopted:

RESOLVED: That the fiscal year of this corporation shall commence on January 1st and end on December 31st of each year, starting with January 1, 1994.

ESTABLISH BANK ACCOUNTS

The Chairman next proposed the Board make provision for the deposit of the funds of the corporation and their withdrawal. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED: That this corporation established in its name one or more deposit accounts with Bank of America, 3475 Via Lido, Newport Beach, California, 92663, upon the terms and conditions as may be agreed upon with said financial institution, and that the

President, Treasurer and/or Secretary of this corporation be, and they hereby are, authorized to establish such accounts; and

RESOLVED: That DONN L. PIERSON as the President and KIMBERLEY L. PIERSON as the Treasurer of this corporation, be and hereby are, authorized to draw checks on said accounts of this corporation, signed as provided herein with signature duly certified to said financial institution and said financial institution is hereby authorized to honor and pay any and all checks so signed, including those drawn to the individual order of any Officer or other person authorized to sign the same; and

RESOLVED FURTHER: That DONN L. PIERSON as President and KIMBERLEY L. PIERSON as the Treasurer of this corporation, be and hereby are, authorized to endorse checks, drafts or evidences of indebtedness made payable to the order of this corporation, for the purposes of deposit.

PAYMENT OF INCORPORATION EXPENSES

In order to provide for the payment of the expenses of the incorporation and organization of the corporation, upon motion duly made, and seconded, the following resolution was unanimously adopted:

RESOLVED: That the Officers of the corporation are authorized and directed to pay the expenses of its incorporation and

organization, including effecting reimbursement to any persons who have advanced funds to the corporation for such purposes and payment of any amounts remaining owing to the corporation's attorney (and/or accountants) for services in connection therewith.

RATIFICATION OF PRE-INCORPORATION CONTRACTS

The Board next considered the ratification of commitments made on behalf of the corporation prior to the completion of its organization. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED: That the contracts and transactions entered into on behalf and for the benefit of this corporation, be and they hereby are accepted, adopted and ratified by this corporation; and

RESOLVED FURTHER: That this corporation save, defend, indemnify and hold harmless the persons who entered into said contracts and transactions on behalf and for the benefit of this corporation, from and against any liability or expense arising therefrom and thereunder.

ISSUANCE OF SHARE AND ACQUISITION OF ASSETS

The Chairman stated that the corporation had received a offer to transfer to this corporation the entire business, including all

assets and liabilities, if any, of that certain California general partnership known as CrossSport Mocean (the "**General Partnership**"), in consideration for the assumption by this corporation of all liabilities of said General Partnership, if any, and in consideration for the issuance by this corporation of all its initial stock issuance to the general partners of the General Partnership that being Donn L. Pierson and Kimberley L. Pierson, thereby making all the owners of the General Partnership all the owners of this corporation. The Chairman further explained that since all the owners of the General Partnership would have 100% control of the Corporation after the transfer to the General Partnership's business to the Corporation, that this transaction would be treated as a tax-free exchange under Internal Revenue Code Section 351. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED: That it is in the best interest of the corporation to accept said offer to obtain on January 1, 1994 the entire business, including all assets and liabilities, of the General Partnership, specifically including, without limitation, the assets described in Exhibit "A" attached to these Minutes and incorporated herein (collectively the "**Business**"), in exchange for the corporation's assumption of all liabilities of said General Partnership and in exchange for the corporation's issuance of its the initial common stock issuance to the owners of the General Partnership, thereby making said individuals the owners of this Corporation.

RESOLVED FURTHER: That, to the maximum extent permitted by law the corporation hereby fully indemnifies and agrees to hold the General Partnership harmless from and against any and all liabilities, damages, costs or expenses (including attorneys' fees) which may relate in any manner to the Business being transferred to the corporation.

RESOLVED FURTHER: The officers of this corporation be, and they hereby are, authorized and directed to sell and issue on January 1, 1994, all of this corporation's initial issuance of common stock, in the amount of 2,000 shares, to the owners of the General Partnership as follows:

<u>Shareholder</u>	<u>Certificate No.</u>	<u>No. of Shares</u>
DONN L. PIERSON	1	1,000
KIMBERLEY L. PIERSON	2	1,000

RESOLVED FURTHER: That the Officers of this corporation be, and each of them, acting alone, are hereby, authorized and empowered to (i) execute and deliver all documents which are required to consummate the transfer of the Business to this corporation (including, but not limited to, the execution delivery of any and all conveyances, assignments, bills of sale, certificates, instruments of transfer, and other documents which may be necessary or appropriate) on terms and conditions any Officer of the corporation shall approve, such approval to be

conclusively evidenced by such Officer's execution thereof, and (ii) take all of other actions which any Officer of the corporation shall deem necessary, appropriate or expedient to carry out the transfer of the subject Business to the corporation and the issuance of the subject common stock to Donn L. Pierson and Kimberley L. Pierson in exchange therefore, pursuant to these resolutions.

RESOLVED FURTHER: That such shares be sold without the publication of any advertising or general solicitation.

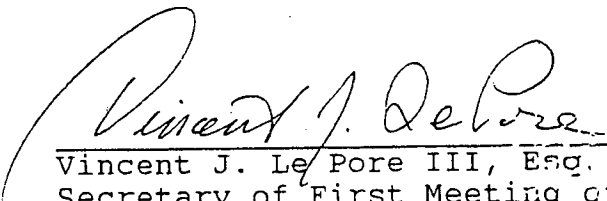
RESOLVED FURTHER: That such shares shall be issued within the exemption from qualification afforded by Section 25102(f) of the California Corporate Securities Law of 1968 and shall, in all respects, meet the requirements thereof.

RESOLVED FURTHER: That each of the proposed issues shall execute an investment representation letter with respect to the purchase of the securities of the corporation, and set forth therein their respective preexisting personal or business relationship with one or more of the corporation's directors or officers, or business or financial experience (or that of their professional advisors who are not in any way affiliated with or compensated by this corporation or its agents) by reason of which they can reasonably be assumed to have the capacity to protect their own interests in connection with the transaction.

RESOLVED FURTHER: The Officers and Directors of this corporation shall cause to be prepared, executed and timely filed with the California Commissioner of Corporations, a Notice in the form prescribed pursuant to Section 25102(f), and shall take such other further action as may be necessary or desirable to effectuate the foregoing resolutions.

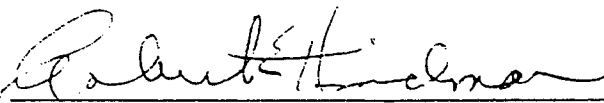
RESOLVED FURTHER: That this corporation is a small business corporation as defined in Section 1244 of the Internal Revenue Code, and that the shares of its capital stock to be sold and issued hereunder shall be sold and issued to the extent they qualify as such pursuant to Section 1244 of the Internal Revenue Code.

There being no further business to come before this meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.



Vincent J. LePore III, Esq.,
Secretary of First Meeting of Board
of Directors

ATTEST:



Robert E. Hindman, Chairman of
Board of Directors

VL-250

EXHIBIT “D”

February 10, 1994

Donn L. Pierson
Kimberly L. Pierson
7405 Seashore Drive
Newport Beach, CA 92663

Re: "MOCEAN" Trademarks

Dear Mr. and Mrs. Pearson:

At the December 31, 1993 organizational meeting of Cross Sport Mocean, a California corporation ("Mocean"), each of you, as all the general partners of Cross Sport Mocean, a California general partnership ("Partnership"), did transfer all the business, assets and liabilities of the Partnership (as listed in Exhibit "A" to the minutes of the meeting, "List"), to Mocean, in exchange for Mocean's initial issuance of common shares i.e. 1,000 shares issued to Mr. Pierson and 1,000 shares issued to Mrs. Pierson.

As you know, the List does not include any trademarks, tradenames names or patents, which fact is also stated in the February 7, 1994 letter from Mocean's Incorporator. The purpose of this letter is to confirm with you in writing our oral agreement, effective January 1, 1994, as to Mocean's use of the tradename and trademark of "Mocean Sports & Design" and "Mocean" and any and all derivatives of the same, all of which Mocean acknowledges are owned exclusively by you (collectively, the "Trademarks"). Our agreement is as follows:

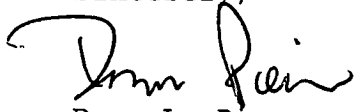
1. Donn L. Pierson and Kimberly L. Pierson (collectively, the "Piersons") grant to Mocean an exclusive and non-transferable world-wide license (without the right sub-license or assign) to use the Trademarks solely for the purpose of manufacturing, marketing, distributing and selling Mocean's products, that being men's, women's and children's clothing; namely jackets, coats, skirts, pants, shorts, bathing suits, dresses and shirts, and headgear; namely hats, cap and headbands. In that the Piersons are shareholders of Mocean, as long as this agreement is in effect, the Piersons will not charge Mocean any fee, royalty or other monetary charge of whatsoever kind, for Mocean's use of the Trademarks.
2. Mocean agrees to defend, indemnify and hold the Piersons harmless against all claims, damages, costs, expenses and losses (including attorneys' fees and costs) which arise from or relate anyway to (i) Mocean's use of the Trademarks, (ii) Mocean's products, (iii) Mocean's manufacturing, marketing, distribution and/ or selling of its' products, and (iv) Mocean's breach of this agreement. At all times, Mocean shall maintain appropriate general and product liability insurance concerning its' obligations under this agreement.

3. At all times the Piersons shall remain the sole and exclusive owner of the Trademarks. As such, Mocean will not take any action whatsoever which will harm the Trademarks or negatively affect in anyway the Piersons' ownership of the same.
4. The Piersons agree to take all reasonable actions to continue, in their names, their current registration efforts with the United States Patent and Trademarks office in regard to the Trademarks (any one or more, as determined solely by the Piersons). In this regard, the Piersons will have the sole and exclusive right, in their names, to obtain registrations or any other legal protections of the Trademarks (state, federal and any others), in a manner determined solely by the Piersons. Once a registration is obtained for a Trademark, the Piersons agree, at their cost, to take all reasonable actions necessary to maintain such registration in their names, including, but not limited to the filing of an affidavit of continued use as required by Section 8 of the Trademark Act of 1946, in regard to registrations obtained from the U.S. Patent and Trademark Office. Mocean agrees to cooperate with the Piersons with all their registration efforts. The Piersons retain and shall have the right to prosecute and defend any action or proceeding that the Piersons deem necessary or desirable to protect the Trademarks.
5. Mocean agrees it will not make any changes or modifications of whatsoever kind to the words and/ or design of the Trademarks, without first obtaining the prior written consent of the Piersons. In the even Mocean shall develop any deviations, improvements or modifications of any kind to the Trademarks, such deviations, improvements or modifications shall be the sole property of the Piersons.
6. Mocean shall fully comply with the trademark, copyright, and patent marking provisions of the intellectual property laws of all countries whose intellectual property laws are applicable to the Trademarks.
7. Either Mocean or the Piersons can terminate this agreement at any time for any reason, by providing the other party at least 60 days prior written notice.
8. Upon the expiration or earlier termination of this agreement, Mocean shall thereafter immediately cease all further use of the Trademarks and the manufacturing, marketing, distribution and selling of Mocean's products containing the Trademarks, and all rights granted to Mocean under this agreement shall immediately terminate and immediately revert to the Piersons.

Donn L. Pierson
Kimberly L. Pierson
February 10, 1994
Page 3

9. This agreement, including any rights set forth herein, shall not be assigned by Mocean except with the prior written consent of the Piersons. This agreement shall be binding upon and shall inure to the benefit of all successors and assigns of the parties. If any action of whatsoever kind is taken by either party to interpret or enforce any provision hereof, the non-prevailing party agree to reimburse the prevailing party for all costs and expenses (including attorneys' fees) incurred in taking such action. Failure to enforce any provision of this agreement shall not constitute a waiver of any term hereof. This agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, superseding any prior or contemporary oral and such a written understanding or agreement relating to the same subject matter. This agreement may be only modified only by a writing signed by both parties. This agreement shall be governed by and construed in accordance with California Law, United States of America.

If you agree that this letter accurately sets forth our agreement, effective January 1, 1994, as to Mocean's use of the subject Trademarks, please signify the same by executing this letter in the space provided. Thank you.
Sincerely,

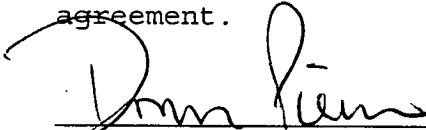


Donn L. Pierson, President



Kimberly L. Pierson, Treasurer

The undersigned, Donn L. Pierson and Kimberly K. Pierson, the owners of the Trademarks defined above, hereby consent to all the terms and conditions of this agreement concerning Cross Sport Mocean's use of the Trademarks in its' clothing business as described in this letter agreement.



Donn L. Pierson



Kimberly L. Pierson

EXHIBIT "E"

MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement (the "Agreement") is made and entered into this 1st day of March, 1998 (the "Effective Date of this Agreement") by and among W.J. Hindman & Management, Inc., a Maryland corporation ("WJHM"), CrossSport Mocean, a California corporation ("MOCEAN"); and W. James Hindman ("Hindman"), Donn L. Pierson ("Donn") & Kimberley Pierson ("Kimberley") with respect to Non-Disclosure and Non-Compete Agreement provisions.

EXPLANATORY STATEMENT

A. It is the intention of MOCEAN to increase its sales and market share within its business industry and to raise capital necessary for growth and expansion of its product lines, services and customers to achieve critical mass. At such time as critical mass is achieved, it is the intention of MOCEAN to undertake an initial public offering (the "IPO") of its capital stock, the proceeds of which would be used to further expand the business to help MOCEAN become a leader and recognized brand in its field.

B. WJRM is in the business, among others, of providing management services and consulting advice to companies, including development stage companies, to assist in providing them sources of debt and equity capital and to provide management guidance and services for the effective and efficient operation of such companies' businesses.

AGREEMENT

NOW, THEREFORE, in consideration of the Explanatory Statement, which is deemed a substantive part of this Agreement, the mutual covenants, and agreements contained herein, and for other good and valuable consideration, both the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

For the purposes of this Agreement, the following terms shall have the following meanings unless otherwise clearly required by the context in which such term is used.

Section 1.1 Confidential Information. The term "Confidential Information" shall mean any information of WJHM or IYI as the case may be, whether written or oral, including but not limited to all business management or economic data, contracts with other parties, proprietary forms, proprietary business or management methods, business plans, marketing information, fees, financial information or trade secrets of WJHM or MOCEAN, as the case may be, whether or not such Confidential Information is disclosed or otherwise made available to one party by the other party pursuant to this Agreement. Confidential Information shall not include work product prepared by WJHM for MOCEAN pursuant to this Agreement.

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Section 1.2. Critical Mass. The term "Critical Mass" shall mean that point at which (i) MOCEAN has sufficient revenues, earnings, gross profit margins, and other measures which alone or in combination, are sufficient to cause a regionally or nationally recognized investment banking firm acceptable to WJHM and MOCEAN to express a willingness, by letter of intent or otherwise, to enter into a firm commitment underwriting agreement with MOCEAN; or (ii) WJHM's Board of Directors shall have reviewed and approved an agreement to sell substantially all of the assets of MOCEAN or an agreement to merge MOCEAN with and into another company, except for a merger of convenience for issues relating to a change in name or venue of the Company which do not add additional capital to the Company.

Section 1.3. IPO. The term "IPO" shall mean (i) the initial public offering of MOCEAN Common Stock; (ii) the sale of substantially all of the assets of MOCEAN; or (iii) the merger of MOCEAN with and into another company.

Section 1.4. Management Services. The term "Management Services" shall mean the business, administrative and management services to be provided for MOCEAN as described in this Agreement.

ARTICLE II. ENGAGEMENT OF WJHM

MOCEAN hereby engages, as an independent contractor and not as an employee, WJHM to provide the Management Services described herein. WJHM accepts such engagement upon the terms, and subject to the conditions, of this Agreement.

ARTICLE III. COVENANTS AND RESPONSIBILITIES OF WJHM

During the term of this Agreement, WJHM shall provide the Management Services described below:

Section 3.1. W. James Hindman. WJHM shall cause W. James Hindman to spend a some amount of time, upon request by MOCEAN and W. James Hindman schedule permitting, to render advice and consult with the MOCEAN Board of Directors and CEO, for the purpose of advancing the strategic growth plan of MOCEAN, including, but not limited to, effectuating a Private Placement to raise capital, negotiating with banks and other financing sources, effectuating an IPO, and providing general advice to management.

Section 3.2. Others. WJHM shall cause Adam Chavis, Timothy Hindman and others to spend some amount of time, assisting WJHM in its duties. Responsibilities shall include, but not be limited to assisting MOCEAN staff in developing a current business plan, effectuating a Private Placement or additional available capital, implementing executive and employee stock option programs and comprehensive compensation plan, assist in preparation for shareholders meeting, potential negotiations with clients or acquisition candidates, financial dealings with customers and vendors, establishing broader banking relationships, implementing

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marketing strategies, and other general business activities. All work product prepared by WJHM for MOCEAN pursuant to this Agreement shall become the property of MOCEAN, and MOCEAN will own the intellectual property rights in such work product.

Section 3.3. Confidential & Proprietary Information.

3.3.1 General. WJHM will not disclose Confidential Information of MOCEAN to other persons without MOCEAN's express written authorization and will not use such Confidential Information except in providing its service hereunder. WJHM will keep such Confidential Information confidential and will ensure that its affiliates and advisors that have access to such Confidential Information comply with these nondisclosure obligations; provided, however, that WJHM may disclose Confidential Information to those of its Representatives who need to know Confidential Information for the purposes of this Agreement, it is being understood and agreed to by WJHM that such Representatives will be informed of the confidential nature of the Confidential Information, will agree to be bound by this Section, and will be directed by WJHM not to disclose to any other person any Confidential Information. Upon termination of this Agreement, WJHM shall immediately return to MOCEAN any tangible Confidential Information in its possession which belongs to such party.

If WJHM is requested or required (by oral questions, interrogatories, requests for information or documents, subpoenas, civil investigative demands, or similar processes) to disclose or produce any Confidential Information furnished in the course of its dealings with MOCEAN or such party's affiliates, advisors, or Representatives, WJHM will: (a) provide MOCEAN, with prompt notice thereof and copies, if possible, and if not, a description of the Confidential Information requested or required to be produced so that MOCEAN may seek an appropriate protective order or waive compliance with the provisions of this Section, and (b) consult with MOCEAN, as to the advisability of MOCEAN's taking legally available steps to resist or narrow such request. WJHM further agrees that, if in the absence of a protective order or the receipt of a waiver hereunder WJHM is nonetheless compelled either to disclose or produce Confidential Information concerning MOCEAN to any tribunal legally authorized to request and entitled to receive such Confidential Information, or, to stand liable for contempt or suffer other censure or penalty, WJHM may disclose or produce such Confidential Information to such tribunal without liability hereunder; provided, however, that WJHM shall give MOCEAN written notice of the Confidential Information to be so disclosed or produced as far in advance of its disclosure or production as is practicable and shall use its best efforts to obtain, to the greatest extent practicable, an order or other reliable assurance that confidential treatment will be accorded to such Confidential Information so required to be disclosed or produced.

3.3.2 Sharing of Confidential Information. Notwithstanding Subsection 3.3.1, WJHM may share with financing

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sources or potential merger candidates, subject to the restrictions of this Section and subject to a duty of confidentiality on such third party's part, such statistical information as may be reasonably necessary to obtain financing or effect a merger.

3.3.3 Non-Disclosure and Non-Compete Agreement.

Based upon knowledge and information to be obtained by W. James Hindman in the fulfillment of his duties pursuant to this Agreement, MOCEAN, Hindman, Donn & Kimberly have all agreed that it would be in the best interests of all parties for each of Hindman, Donn and Kimberley to enter into the Non-Disclosure and Non-Compete Agreement attached as an exhibit to this Agreement; and each of Hindman, Donn & Kimberley has agreed to enter into such Agreement simultaneously and as a condition to the execution of this Management Services Agreement.

Section 3.4 Indemnification. WJHM shall indemnify MOCEAN and its officers, directors, agents and employees from any liabilities incurred by MOCEAN as a result of (a) any breach, violation, or nonperformance by WJHM of any provisions of the agreements between IYT and WJHM, and (b) the performance of any intentional tortious acts or omissions, or negligent acts or omissions by WJHM or their officers, directors, employees, stockholders or agents.

ARTICLE IV. COVENANTS AND RESPONSIBILITIES OF MOCEAN

Section 4.1 Confidential & Proprietary Information.

4.1.1 General. MOCEAN will not disclose Confidential Information of WJHM to other persons without such party's express written authorization and will not use such Confidential Information in any way directly or indirectly detrimental to WJHM. MOCEAN will keep such Confidential Information confidential and will ensure that its affiliates and advisors that have access to such Confidential Information comply with these nondisclosure obligations; provided, however, that MOCEAN may disclose Confidential Information to those of its Representatives who need to know Confidential Information for the purposes of this Agreement, it is being understood and agreed to by MOCEAN that such Representatives will be informed of the confidential nature of the Confidential Information, will agree to be bound by this Section, and will be directed by MOCEAN not to disclose to any other person any Confidential Information. Upon termination of this Agreement, MOCEAN shall immediately return to WJHM any tangible Confidential Information in its possession which belongs to such party.

If MOCEAN is requested or required (by oral questions, interrogatories, requests for information or documents, subpoenas, civil investigative demands, or similar processes) to disclose or produce any Confidential Information furnished in the course of its dealings with WJHM or such party's affiliates, advisors, or Representatives, MOCEAN will: (a) provide WJHM, with prompt notice thereof and copies, if possible, and if not, a description of the

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Confidential Information requested or required to be produced so that WJHM may seek an appropriate protective order or waive compliance with the provisions of this Section, and (b) consult with WJHM, as to the advisability of WJHM's taking legally available steps to resist or narrow such request. MOCEAN further agrees that, if in the absence of a protective order or the receipt of a waiver hereunder MOCEAN is nonetheless compelled either to disclose or produce Confidential Information concerning WJHM to any tribunal legally authorized to request and entitled to receive such Confidential Information, or, to stand liable for contempt or suffer other censure or penalty, MOCEAN may disclose or produce such Confidential Information to such tribunal without liability hereunder; provided, however, that MOCEAN shall give WJHM written notice of the Confidential Information to be so disclosed or produced as far in advance of its disclosure or production as is practicable and shall use its best efforts to obtain, to the greatest extent practicable, an order or other reliable assurance that confidential treatment will be accorded to such Confidential Information so required to be disclosed or produced.

Section 4.2 Cooperation with WJHM. MOCEAN shall (a) promptly provide to WJHM all information reasonably requested by WJHM in the course of performance of its services hereunder, and (b) cooperate, and cause its employees to cooperate, with WJHM in all respects in connection with WJHM's performance of Management Services hereunder.

Section 4.3 Non-Disclosure and Non-Compete Agreement. Based upon the knowledge and information which are possessed by Donn and Kimberley in their capacities as Shareholders, Directors and employees of MOCEAN, MOCEAN, Hindman, Donn & Kimberley have all agreed that it would be in the best interests of all parties for each of Hindman, Donn and Kimberley to enter into the Non-Disclosure and Non-Compete Agreement attached as an exhibit to this Agreement; and each of Hindman, Donn & Kimberley has agreed to enter into such Agreement simultaneously and as a condition to the execution of this Management Services Agreement.

Section 4.4 Indemnification. MOCEAN shall indemnify WJHM and its officers, directors, agents and employees from any liabilities incurred by WJHM as a result of (a) any breach, violation, or nonperformance by MOCEAN of any provisions of the agreements between MOCEAN and WJHM, and (b) the performance of any intentional tortious acts or omissions, or negligent acts or omissions by MOCEAN or their officers, directors, employees, stockholders or agents (other than WJHM).

ARTICLE V. PAYMENT FOR MANAGEMENT SERVICES

As full payment for all services provided to MOCEAN by WJHM, MOCEAN shall pay to WJHM cash and property as follows:

Section 5.1. Cash Management Fee. MOCEAN agrees to pay to WJHM a monthly amount to be invoiced by WJHM to MOCEAN based

Mocean and WJHM shall mutually agree in writing, this Agreement may be terminated on the date specified in such written agreement.

Section 6.3. Effects of Termination. Upon termination of this Agreement, no party shall have any further obligations hereunder, except for: (a) obligations accruing prior to the date of termination, including, without limitation, payment of the Management Fees relating to services provided prior to the termination of this Agreement; and (b) obligations, covenants or promises set forth herein which by their terms or by reasonable implication are to be performed, in whole or in part, after the termination of this Agreement.

ARTICLE VII. MISCELLANEOUS

Section 7.1. Status as Contractor. It is expressly acknowledged that WJHM and IYI are independent contractors and that nothing in this Agreement is intended (and nothing shall be construed) either (a) to create an employer/employee, partnership, or joint venture relationship or (b) to allow any of them to exercise control or direction over the manner or method by which the others perform the services to be provided hereunder shall be furnished in a manner consistent with the standards governing such services and the provisions of this Agreement. Nither WJHM, Adam Chavis or W. James Hindman shall have any authority to bind IYI to any contract, agreement, undertaking or obligation unless such authority is expressly granted by the CEO of IYI.

Section 7.2. Notices. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when in writing and either (a) personally delivered to an officer (against a signed receipt), (b) mailed by prepaid certified or registered mail, return receipt requested, or (c) sent by nationally recognized overnight delivery service, addressed as follows:

MOCEAN: Kimberley Pierson
1635 Monrovia Avenue
Costa Mesa, California 92627

WJHM: W.J. Hindman Management, Inc.
Mr. W. J. Hindman
2322 Nicodemus Road
Westminster, Maryland 21157

or to such other address, or to the attention of such other person or officer, as any party may by written notice designate.

Section 7.3. Governing Law. This Agreement shall be governed by the laws of the State of Maryland and the United States of

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America.

Section 7.4. Assignment. The parties to this Agreement may not assign this Agreement, or any rights or obligations hereunder, without the prior written consent of the other parties.

Section 7.5. Successor Liability. This Agreement and the rights and duties under this Agreement shall be binding upon and inure to the benefit of the respective heirs, personal representatives, successors (which shall include without limitation, any successor by way of merger, consolidation, recapitalization, reorganization, share exchange, or dissolution, and any assignee of all or substantially all of the ownership interests in a party, or all or substantially all of the assets of the appropriate party, and any successor resulting from a bankruptcy) and assigns of WJHM and MOCEAN.

Section 7.6. Waiver. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as , or be construed to constitute, a waiver of any subsequent breach of the same or another provision of this Agreement.

Section 7.7. Enforcement. In the event that either party resorts to legal action to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover the costs and expense of such action so incurred, including, without limitation, reasonable attorney's fees.

Section 7.8. Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words herein shall include the singular and plural.

Section 7.9. Force Majeure. Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement or other interruption of service deemed to result, directly or indirectly, from acts of God, civil, or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by either party's employees, or any other similar cause beyond the reasonable control of either party unless such delay or failure in performance is expressly addressed elsewhere in this Agreement.

Section 7.10. Severability. WJHM and Mocean have negotiated and prepared the terms of this Agreement in good faith with the intent that each and every one of the terms, covenants, and conditions in this Agreement will be binding upon and inure to the benefit of the respective parties. Accordingly, if any one or more of the terms, provisions, promises, covenants or conditions of this Agreement or the application of this Agreement to any person or circumstance shall be adjudged to any extent invalid, unenforceable, void, or voidable for any reason whatsoever by a court or arbitration panel of competent jurisdiction, such

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provision shall be as narrowly construed as possible, and each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement or their application to other persons or circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law. To the extent this Agreement is in violation of applicable law, then the parties consent and agree to negotiate in good faith to amend the Agreement, to the extent possible consistent with its purposes, to conform to law.

Section 7.11. Divisions and Headings. The divisions of this Agreement into articles, sections, and subsections and the use of captions and headings in connection therewith is solely for convenience and shall not affect in any way the meaning or interpretation of this Agreement.

Section 7.12. Execution of Agreement and Amendments. This Agreement and any amendments to this Agreement shall be in writing and executed on behalf of the parties only by their duly authorized, respective Presidents or other expressly authorized officers. This Agreement and any amendment may be executed and delivered in multiple, counterpart copies. Each multiple copy shall be deemed an original, but all multiple copies together shall constitute one and the same instrument.

Section 7.13. Entire Agreement. With respect to the subject matter in this Agreement, this Agreement supersedes all previous contracts, agreements, and understandings and constitutes the entire agreement between WJHM and Mocean. Neither party shall be entitled to benefits other than those expressly specified in this Agreement. No prior oral statements or contemporaneous negotiations or understandings or prior written material not specifically incorporated herein shall be of any force and effect, and no changes in or additions to this Agreement shall be recognized unless incorporated in this Agreement by written amendment as provided herein, such amendment(s) to become effective on the date stipulated in such amendment(s). The parties specifically acknowledge that, in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others.

IN WITNESS WHEREOF, WJHM, and Mocean have caused this Management Services Agreement to be executed and delivered by their duly authorized Presidents, all as of the day and year first above written.

ATTEST

W. J. HINDMAN MANAGEMENT, INC.

By: W.J. Hindman (SEAL)
W.J. Hindman, President

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DON0146

CROSSPORT MOCEAN

By: Donn Pierson (SEAL)
Donn Pierson, President

With respect to the Non-Disclosure
and Non-Compete Agreement
provisions of Section 3.3.3 & 4.3

W. James Hindman (SEAL)
W. James Hindman

Donn Pierson (SEAL)
Donn Pierson

Kimberley Pierson (SEAL)
Kimberley Pierson

DON0145

NOV-17-2004 11:09 FROM: ROBERT WILLING

94915/0157

10:995545555

11/11/01

EXHIBIT "F"

AGREEMENT OF ROYALTY AND RELEASE

THIS AGREEMENT OF ROYALTY AND RELEASE (Agreement) is made as of December 18, 2000, by and among Donn Pierson ("Pierson") and CrossSport Mocean, a California corporation ("MOCEAN").

WHEREAS Pierson is a founder of MOCEAN and holds an equity interest in MOCEAN; and,

WHEREAS Pierson was employed by MOCEAN and during the term of his employment he created designs for MOCEAN; and,

WHEREAS Pierson created designs prior to the incorporation of MOCEAN and such designs were transferred into MOCEAN upon the incorporation of MOCEAN; and,

WHEREAS Pierson represents that he created such designs and acknowledges and agrees that all such designs created by Pierson are owned by MOCEAN, and not by Pierson and Pierson represents that no designs were transferred or sold in any manner so as to give any interest in any such designs to any other party; and,

WHEREAS Pierson's employment with MOCEAN was terminated.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements of the parties contained herein, the parties hereby agree as follows:

1. Payment of Royalty to Pierson - MOCEAN hereby agrees to pay a royalty to Pierson in the amount of one half of one percent (1/2%) on net sales (defined as gross sales other than samples, less discounts, returns and allowances) made by the Company beginning on January 1, 1999 and continuing for a period of five years until December 31, 2004. Such royalty shall be paid by the Company to Pierson on an annual basis within One Hundred Twenty

days (120) of the closing of the Company's year end on December 31 with the amounts for the year ending December 31 1999 due upon execution of this Agreement. Pierson agrees that if the ownership of such designs is challenged by a third party that Pierson will cooperate in any manner necessary to defend MOCEAN's ownership of such designs.

2. No Admission - Nothing in this Agreement nor the fact that this Agreement was made shall constitute any admission of any nature whatsoever of either party.

3. Mutual Release - Each party to this Agreement as individuals or in any other capacity in which a relationship exists such as shareholders, officers, Etc. hereby irrevocably and unconditionally mutually remises, releases and forever discharges each other, their successors, assigns, shareholders, officers, directors and agents from any and all manners of action, causes of action, proceedings, dues, contracts, judgments, damages, claims, and demands whatsoever in law or equity against each other which they ever had, now have, or which their successors or assigns can, shall or may have for or by any reason of any matter, cause, or thing, whatsoever arising from their relationship. If either party shall be forced to seek additional intervention to enforce or defend their rights pursuant to the terms of this Agreement, the non-prevailing party shall be fully responsible for and pay to the prevailing party an amount equal to all of the costs and expenses, including attorneys fees, incurred by the prevailing to enforce or defend the prevailing party's rights.

4. Confidentiality - The existence of this Agreement, its

constitute one and the same instrument. This Agreement shall not be effective unless and until executed by all parties hereto.

8. Survival - This Agreement and all of its representations and provisions shall survive closing.

9. Representations by Counsel - The parties hereto agree that they enter into this Agreement after having the opportunity to receive full advice from counsel of their choice with respect to this Agreement and all matters related thereto.

IN WITNESS WHEREOF, this Agreement has been executed under seal by Seller and Buyer as of the date first above written.

Attest/Witness:

Shirley H. H. H.

Paul J. Green

Crossport Mocean:

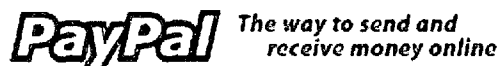
By: *William Levitt*
William Levitt, President

Donn Pierson:

Donn Pierson

EXHIBIT "G"

Subj: Item #7113238507 - Notification of an Instant Payment Received from lingham123
(leslie.ingham@verizon.net)
Date: 11/18/04 8:03:17 AM Pacific Standard Time
From: leslie.ingham@verizon.net
To: seamscapeKP@aol.com



Dear Kimberley Pierson,

This email confirms that you have received a \$12.00 USD from lingham123
(leslie.ingham@verizon.net).

View the details of this transaction here: [14V84605E89302409](#)

Payment Details

Item #	Item Title	Quantity	Price	Subtotal
7113238507	MOCEAN SAIL KAYAK WATER SHORTS	1	\$5.00 USD	\$5.00 USD

Shipping & Handling via USPS Priority Mail to 917XX \$7.00 USD
(includes any seller handling fees)

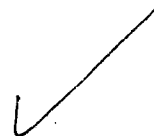
Shipping Insurance (optional) : --

Total: \$12.00 USD

Shipping Information

Address: Leslie Ingham
4735 Golden Road
Chino Hills, CA 91709
United States

Address Status: Confirmed 



Thank you for using PayPal!
The PayPal Team

PayPal Email ID PP341



Seller's Payment Status

[Help](#)

Status Paid through PayPal. Payment sent to: seamscapekp@aol.com [Dec-06-04]

[Print Shipping Label >](#)

Actions [Leave feedback](#) | [View PayPal payment](#)

Buyer jfreema2 (5) 8

Shipping

m f/B

You should ship to: June Freeman
893 West Tree Dr.
Collierville, TN 38017
United States

Payment

Item #	Item Title	Qty.	Price	Subtotal
7117800745	MOCEAN SAIL KAYAK WATER SHORTS MEDIUM	1	US \$6.00	US \$6.00

Subtotal: US \$6.00

Shipping and handling via US Postal Service Priority Mail: US \$7.00
(includes any seller handling fees)

Seller discounts (-) and charges (+): US \$0.00

Total: US \$13.00

Payment method



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[eBay official time](#)

Subj: **Your invoice for eBay purchases - item #7113239853, MOCEAN SAIL KAYAK WATER SHORTS MEDIUM**
Date: 11/19/2004 5:55:35 AM Pacific Standard Time
From: aw-confirm@ebay.com
Reply-to: seamscapekp@aol.com
To: calicatlady@aol.com
CC: seamscapekp@aol.com

Here's the invoice for your item, calicatlady!



Dear calicatlady,

Thank you for your purchase. The total for your item below is **US \$17.00**.

Please send payment for your eBay purchase

You can pay me securely with any major credit card through PayPal. I accept the following payment methods: PayPal, Cashier's Check/Money Order.

Pay Now



Item #	Item Title	Qty.	Price
7113239853	<u>MOCEAN SAIL KAYAK WATER SHORTS MEDIUM</u>	1	US \$10.00
Subtotal:			US \$10.00
Shipping and handling via US Postal Service Priority Mail:			US \$7.00
Shipping insurance (Optional US \$3.00):			—
Total:			US \$17.00

Please email me at seamscapekp@aol.com if you have any questions.

I offer the following shipping options:
US Postal Service Priority Mail: US \$7.00

If you want to mail your payment, please send it and include a copy of this email to:
KIMBERLEY PIERSON
330 PASEO MARGUERITA
VISTA, CA 92084
United States
(760) 732-0364

Thank you again for your purchase.

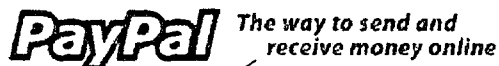
bayleyboyhawaii

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Subj: Notification of an Instant Payment Received for Multiple Items
Date: 11/9/04 4:34:44 PM Pacific Standard Time
From: rwbdvm@aol.com
To: seamscapeKP@aol.com



Dear Kimberley Pierson,

This email confirms that you have received a \$22.00 USD from gottatriharder (rwbdvm@aol.com).

View the details of this transaction here: [4VL62241GR0990329](https://www.paypal.com/transaction/details/4VL62241GR0990329)

Payment Details

Item #	Item Title	Quantity	Price	Subtotal
7111656939	MOCEAN SAILING KAYAK WATER SHORTS	1	\$5.00 USD	\$5.00 USD
7111658975	MOCEAN SAIL KAYAK WATER SHORTS	1	\$5.00 USD	\$5.00 USD

Subtotal: \$10.00 USD

Shipping & Handling: \$12.00 USD
(includes any seller handling fees)

Shipping Insurance (optional) : --

Total: \$22.00 USD

Shipping Information

Address: richard bink
2357 ogeechee rd
savannah, GA 31415
United States

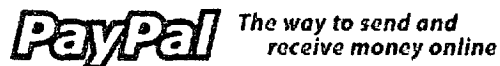
Address Status: Confirmed

Thank you for using PayPal!
The PayPal Team

PayPal Email ID PP341

Gr. med P/B
Bl / HG

Subj: **Item #7111659681 - Notification of an Instant Payment Received from dodge39-47**
(mshammer@sbceo.org)
Date: 11/9/04 8:01:57 PM Pacific Standard Time
From: mshammer@sbceo.org
To: seamscapeKP@aol.com



Dear Kimberley Pierson,

This email confirms that you have received a \$12.00 USD from dodge39-47
(mshammer@sbceo.org).

View the details of this transaction here: [7VC87236DS0953019](https://www.paypal.com/transaction/details/7VC87236DS0953019)

Payment Details

Item #	Item Title	Quantity	Price	Subtotal
7111659681	MOCEAN SAIL KAYAK WATER SHORTS	1	\$5.00 USD	\$5.00 USD

Shipping & Handling via USPS Priority Mail to 934XX \$7.00 USD
(includes any seller handling fees)

Shipping Insurance (optional) : --

Total: \$12.00 USD

Shipping Information

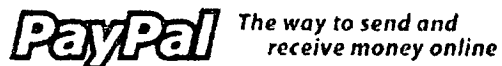
Address: Joseph Hammer
995 Craig Drive
Lompoc, CA 93436
United States

Address Status: Confirmed

Thank you for using PayPal!
The PayPal Team

PayPal Email ID PP341

Subj: **Item #7121630926 - Notification of an Instant Payment Received from 7907michelle (mjah@midamer.net)**
Date: 12/17/04 6:32:52 PM Pacific Standard Time
From: mjah@midamer.net
To: seamscapeKP@aol.com



Dear Kimberley Pierson,

This email confirms that you have received a \$12.00 USD from 7907michelle (mjah@midamer.net).

View the details of this transaction here: [0YV37196N4959250F](https://www.paypal.com/transaction/details/0YV37196N4959250F)

Payment Details

Item #	Item Title	Quantity	Price	Subtotal
7121630926	MOCEAN SAIL KAYAK WATER SHORTS PLUM/BLK SMALL	1	\$5.00 USD	\$5.00 USD

Shipping & Handling via USPS Priority Mail to 629XX \$7.00 USD
(includes any seller handling fees)

Shipping Insurance (optional) : \$0.00 USD

Total: \$12.00 USD

Note:

Shipping Information

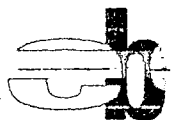
Address: Michelle Jeffrey
P.O. Box 3614
Carbondale, IL 62902-3614
United States

Address Status: Confirmed

✓
12/20

Thank you for using PayPal!
The PayPal Team

PayPal Email ID PP341

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Seller's Payment Status

[Help](#)

Status Paid through PayPal. Payment sent
to: seamscapekp@aol.com [Dec-13-04]

[Print Shipping Label >](#)

Actions [Leave feedback](#) | [View PayPal payment](#)

Buyer [newcastlegrl \(3 \)](#)

Shipping

You should ship to: Kristin Clark
13063 SE 76th Street
Newcastle, WA 98056
United States

✓
12/14

Payment

Item #	Item Title	Qty.	Price	Subtotal
7119605744	MOCEAN SAIL KAYAK WATER SHORTS MEDIUM	1	US \$10.50	US \$10.50

Subtotal: US \$10.50

Shipping and handling: US \$7.00

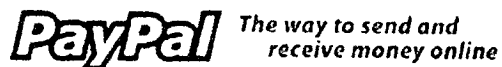
Seller discounts (-) and charges (+): US \$0.00

Total: US \$17.50**Payment method**[About eBay](#) | [Announcements](#) | [Security Center](#) | [Policies](#) | [Site Map](#) | [Help](#)

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Subj: **Item #7121141135 - Notification of an Instant Payment Received from kavan03**
(kavanatta@hotmail.com)
Date: 12/17/04 12:49:56 PM Pacific Standard Time
From: kavanatta@hotmail.com
To: seamscapeKP@aol.com



Dear Kimberley Pierson,

This email confirms that you have received a \$12.76 USD from kavan03
(kavanatta@hotmail.com).

View the details of this transaction here: [9TL064021J903224R](https://www.paypal.com/transaction/details/9TL064021J903224R)

Payment Details

Item #	Item Title	Quantity	Price	Subtotal
7121141135	MOCEAN SAIL KAYAK WATER SHORTS SMALL H/BLK	1	\$5.76 USD	\$5.76 USD

Shipping & Handling via USPS Priority Mail to 812XX \$7.00 USD
(includes any seller handling fees)

Shipping Insurance (optional) : \$0.00 USD

Total: \$12.76 USD

Note:

Shipping Information

Address: Ken Vanatta
228 West 6th Street
Salida, CO 81201
United States

Address Status: Confirmed

Thank you for using PayPal!
The PayPal Team

PayPal Email ID PP341

Crossport Mocean, Inc. v. Donn L. Pierson, et al.
Petition to Cancel No.: 92044780

On May 8, 2007; I hereby certify that a true and complete and true copy of the
foregoing documents described as:

**DECLARATION OF KIMBERLEY PIERSON, RESPONDENT IN PETITION TO
CANCEL TRADEMARK REGISTRATION**

has been served on Christa D. Perez by mailing said copy on May 8, 2007, via
First Class Mail, postage prepaid to:

Christa D. Perez
FRIEDMAN PETERSON STROFFE & GERARD
19800 MacArthur Blvd.; Suite 1100
Irvine, CA 92612

Dated: 5-7-2007

By: Kimberley L. Pierson
Kimberley Lyn Pierson